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Exhibit 1:
CPNG-HJC119-0000001
2025 National Trade Estimate Report on
Foreign Trade Barriers



2025 National Trade Estimate Report on
**FOREIGN TRADE
BARRIERS**

*of the President of the United States
on the Trade Agreements Program*

UNITED STATES TRADE REPRESENTATIVE

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Office of the United States Trade Representative
Ambassador Jamieson L. Greer

LIST OF FREQUENTLY USED ACRONYMS

APHIS.....	Animal and Plant Health Inspection Service, U.S. Department of Agriculture
CAFTA–DR.....	Dominican Republic–Central America–United States Free Trade Agreement
CET.....	Common External Tariff
CVA.....	WTO Customs Valuation Agreement
DOL.....	U.S. Department of Labor
ECOWAS.....	Economic Community of West African States
EU.....	European Union
FDA.....	Food and Drug Administration, U.S. Department of Health and Human Services
FMVSS.....	U.S. Federal Motor Vehicle Safety Standards
FTA.....	Free Trade Agreement
GATS.....	WTO General Agreement on Trade in Services
GATT.....	General Agreement on Tariffs and Trade
GCC.....	Gulf Cooperation Council
GDPR.....	General Data Protection Regulation
GE.....	Genetically engineered
GI.....	Geographical Indication
GPA.....	WTO Agreement on Government Procurement
HS.....	Harmonized System
ICT.....	Information and Communications Technology
IP.....	Intellectual Property
KORUS.....	United States–Korea Free Trade Agreement
MERCOSUR.....	Southern Common Market
MFN.....	Most-Favored-Nation
MOU.....	Memorandum of Understanding
MRL.....	Maximum Residue Limit
MSME.....	Micro-, Small, and Medium-sized Enterprise
OECD.....	Organization for Economic Cooperation and Development
SME.....	Small and Medium-Sized Enterprise
SPS.....	Sanitary and Phytosanitary
TBT.....	Technical Barriers to Trade
TFA.....	WTO Trade Facilitation Agreement
TIFA.....	Trade and Investment Framework Agreement
TRQ.....	Tariff-Rate Quota
UAE.....	United Arab Emirates
UNECE.....	United Nations Economic Commission for Europe
USDA.....	U.S. Department of Agriculture
USMCA.....	United States–Mexico–Canada Agreement

USTR	United States Trade Representative
VAT	Value-Added Tax
VoIP	Voice over Internet Protocol
WOAH	World Organization for Animal Health
WTO	World Trade Organization

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FOREWORD

SCOPE AND COVERAGE

The 2025 National Trade Estimate Report on Foreign Trade Barriers (NTE) is the 40th report in an annual series that highlights significant foreign barriers to U.S. exports, U.S. foreign direct investment, and U.S. electronic commerce. This document is a companion piece to the President's 2025 Trade Policy Agenda and 2024 Annual Report, published by the Office of the United States Trade Representative (USTR) on February 28, 2025.

In accordance with Section 181 of the Trade Act of 1974, as amended by Section 303 of the Trade and Tariff Act of 1984 and amended by Section 1304 of the Omnibus Trade and Competitiveness Act of 1988, Section 311 of the Uruguay Round Trade Agreements Act, and Section 1202 of the Internet Tax Freedom Act, USTR is required to submit to the President, the Senate Finance Committee, and appropriate committees in the House of Representatives, an annual report on significant foreign trade barriers. The statute requires an inventory from the previous calendar year of the most important foreign barriers affecting U.S. exports of goods and services, including agricultural commodities and U.S. intellectual property; foreign direct investment by U.S. persons, especially if such investment has implications for trade in goods or services; and U.S. electronic commerce. Such an inventory enhances awareness of these trade restrictions, facilitates U.S. negotiations aimed at reducing or eliminating these barriers, and is a valuable tool in enforcing U.S. trade laws and promoting U.S. economic and security interests.

The NTE Report is based upon information compiled within USTR, the U.S. Departments of Commerce and Agriculture, and other U.S. Government agencies, as well as U.S. embassies and supplemented with information provided in response to a notice published in the *Federal Register*, and by the trade advisory committees.

This Report discusses the largest export markets for the United States, covering nearly 60 trading partners. Omission of particular trading partners and barriers does not imply that they are not of concern to the United States.

Trade barriers elude fixed definitions, but may be broadly defined as government laws, regulations, policies, or practices—including non-market policies and practices—that distort or undermine fair competition. These include measures that protect domestic goods and services from foreign competition, artificially stimulate exports of particular domestic goods and services, or fail to provide adequate and effective protection of intellectual property rights. Non-market policies and practices, such as targeting of industrial sectors for dominance, non-market excess capacity, and distorting activities of state-owned or state-sponsored firms, may create economic and national security risks and undermine U.S. competitiveness. The purpose of the NTE Report is to identify barriers the U.S. Government seeks to remove.

The NTE Report classifies foreign trade barriers in 14 categories. These categories cover measures and policies that restrict, prevent, or impede the international exchange of goods and services, U.S. foreign direct investment, or U.S. electronic commerce. The categories covered include:

- Import policies (e.g., tariffs and other import charges, quantitative restrictions, import licensing, customs barriers and shortcomings in trade facilitation, and other market access barriers);

- Technical barriers to trade (*e.g.*, unnecessarily trade restrictive standards, conformity assessment procedures, or technical regulations, including unnecessary or discriminatory technical regulations or standards for telecommunications products);
- Sanitary and phytosanitary measures (*e.g.*, measures that unnecessarily restrict trade without furthering safety objectives because they are applied beyond the extent necessary to protect human, animal, or plant life or health, not based on science, or maintained without sufficient scientific evidence);
- Government procurement (*e.g.*, “buy national” policies and closed bidding);
- Intellectual property protection (*e.g.*, inadequate patent, copyright, trade secret, and trademark regimes and inadequate enforcement of intellectual property rights);
- Services barriers (*e.g.*, prohibitions or restrictions on foreign participation in the market, discriminatory licensing requirements or regulatory standards, local-presence requirements, and unreasonable restrictions on what services may be offered);
- Electronic commerce / digital trade barriers (*e.g.*, barriers to cross-border data flows, discriminatory practices affecting trade in digital products, restrictions on the provision of Internet-enabled services, and other restrictive technology requirements);
- Investment barriers (*e.g.*, limitations on foreign equity participation and on access to foreign government-funded research and development programs, local content requirements, technology transfer requirements and export performance requirements, and restrictions on repatriation of earnings, capital, fees and royalties);
- Subsidies, including export subsidies (*e.g.*, export financing on preferential terms and agricultural export subsidies that displace U.S. exports in third country markets) and import substitution subsidies (*e.g.*, subsidies contingent on the purchase or use of domestic rather than imported goods);
- Anticompetitive practices (*e.g.*, government-tolerated anticompetitive conduct of state-owned or private firms that restricts the sale or purchase of U.S. goods or services in the foreign country’s markets or abuse of competition laws to inhibit trade, and fairness and due process concerns by companies involved in competition investigatory and enforcement proceedings in the country);
- State-owned enterprises (*e.g.*, actions by SOEs and by governments with respect to SOEs involved in the manufacture or production of non-agricultural goods or in the supply of services that constitute significant barriers to, or distortions of, U.S. exports of goods and services, U.S. investments, or U.S. electronic commerce, which may negatively affect U.S. firms and workers. These actions include subsidies and non-commercial advantages provided to and from SOEs and practices with respect to SOEs that discriminate against U.S. goods or services, or actions by SOEs that are inconsistent with commercial considerations in the purchase and sale of goods and services);

2 | FOREIGN TRADE BARRIERS

- Labor (*e.g.*, concerns with failures by a government to protect internationally recognized worker rights¹ or to eliminate discrimination in respect of employment or occupation, in cases where these failures influence trade flows or investment decisions in ways that constitute significant barriers to, or distortions of, U.S. exports of goods and services, U.S. investment, or U.S. electronic commerce, which may negatively affect U.S. firms and workers);
- Environment (*e.g.*, concerns with a government's levels of environmental protection, unsustainable stewardship of natural resources, and harmful environmental practices that constitute significant barriers to, or distortions of, U.S. exports of goods and services, U.S. investment, or U.S. electronic commerce, which may negatively affect U.S. firms or workers); and
- Other barriers (*e.g.*, barriers or distortions that are not covered in any other category above or that encompass more than one category, such as bribery and corruption, or that affect a single sector).

Pursuant to Section 1377 of the Omnibus Trade and Competitiveness Act of 1988, USTR annually reviews the operation and effectiveness of U.S. telecommunications trade agreements to make a determination on whether any foreign government that is a party to one of those agreements is failing to comply with that government's obligations or is otherwise denying, within the context of a relevant agreement, "mutually advantageous market opportunities" to U.S. telecommunication products or services suppliers. The NTE Report highlights both ongoing and emerging barriers to U.S. telecommunication services and goods exports from the annual review called for in Section 1377.

The prevalence of corruption is a consistent complaint from U.S. firms that trade with or invest in other economies. Corruption takes many forms and affects trade and development in different ways. In many countries and economies, it affects customs practices, licensing decisions, and the award of government procurement contracts. If left unchecked, bribery and corruption can negate market access gained through trade negotiations, frustrate broader reforms and economic stabilization programs, and undermine the foundations of the international trading system. The United States continues to play a leading role in addressing bribery and corruption in international business transactions and has made real progress over the past quarter century building international coalitions to fight bribery and corruption.

IMPACT OF FOREIGN BARRIERS ON U.S. TRADE

Wherever possible, this report presents estimates of the impact on U.S. exports, U.S. foreign direct investment, or U.S. electronic commerce of specific foreign trade barriers and other trade distorting practices. Where consultations related to specific foreign practices were proceeding at the time of this report's publication, estimates were excluded in order to avoid prejudice to these consultations.

The estimates included in this report constitute an attempt to quantitatively assess the potential effect of removing certain foreign trade barriers to particular U.S. exports. However, the estimates cannot be used to determine the total effect on U.S. exports, either to the country in which a barrier has been identified, or to the world in general. In other words, the estimates contained in this report cannot be aggregated in order to derive a total estimate of gain in U.S. exports to a given country or the world. To provide further statistical context for the reader, Appendix II reports the most recent U.S. Government statistical data on U.S. bilateral trade in goods, U.S. bilateral trade in services, and U.S. bilateral foreign direct investment in rank order.

¹ Internationally recognized worker rights include the right of association, the right to organize and bargain collectively, a prohibition on the use of any form of forced or compulsory labor, a minimum age for the employment of children, and a prohibition on the worst forms of child labor, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

Trade barriers or other trade distorting practices affect U.S. exports to foreign markets, as they effectively impose costs on U.S. exports that are not imposed on goods produced in the importing market. These unfair trade practices undermine U.S. exporters' competitiveness and, in some cases, prevent U.S. goods from entering the foreign market entirely. In theory, estimating the impact of a foreign trade measure on U.S. exports of goods requires knowledge of the (extra) cost the measure imposes on them, as well as knowledge of market conditions in the United States, in the country imposing the measure, and in third countries. In practice, such information often is not available.

Where sufficient data exist, an approximate impact of tariffs on U.S. exports can be derived by obtaining estimates of supply and demand price elasticities in the importing country and in the United States. Typically, the U.S. share of imports is assumed constant. When no calculated price elasticities are available, reasonable postulated values are used. The resulting estimate of lost U.S. exports is approximate, depends on the assumed elasticities, and does not necessarily reflect changes in trade patterns with third countries. Similar procedures are followed to estimate the impact of subsidies that displace U.S. exports in third country markets.

In some cases, stakeholder valuations estimating the financial effects of barriers are contained in the report. The methods for computing these valuations are sometimes uncertain. Hence, their inclusion in the NTE Report should not be construed as a U.S. Government endorsement of the estimates they reflect.

March 2025

ALGERIA

TRADE AGREEMENTS

The United States–Algeria Trade and Investment Framework Agreement

The United States and Algeria signed a Trade and Investment Framework Agreement on July 13, 2001. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Algeria.

IMPORT POLICIES

Tariffs

Algeria is not a Member of the World Trade Organization (WTO) but is a WTO Observer. Goods imported into Algeria face a range of tariffs, from zero percent to 60 percent. Algeria's average Most-Favored-Nation (MFN) applied tariff rate was 18.9 percent in 2022 (latest data available). Algeria's average MFN applied tariff rate was 23.7 percent for agricultural products and 18.1 percent for non-agricultural products in 2022 (latest data available).

Goods facing the highest rates are those for which equivalents are manufactured in Algeria. Citing the need to encourage local production and ease pressure on the country's foreign exchange reserves, Algeria implemented temporary additional safeguard duties (DAPs) of 30 percent to 200 percent on a list of more than 1,000 manufactured and agricultural goods in April 2019, with the 200 percent rate applied to 10 tariff lines covering cement products under the Harmonized System heading 25.23. The items in Algeria's customs code that remain duty free are generally European Union-origin goods that are used in manufacturing and are exempt from tariffs under the 2006 European Union–Algeria Association Agreement.

Non-Tariff Barriers

Quantitative Restrictions

In November 2022, Algeria released a new Book of Specifications concerning the automotive industry (covering automobiles, buses, trucks, construction equipment, and motorcycles) that eliminates previous import quotas but requires import authorization. Due to customs duties, the VAT, and other taxes, vehicles cost more than double the market rate when purchased by individuals overseas and imported into Algeria. In November 2023, Algeria authorized 38 domestic automobile companies to import vehicles under the 2022 regime. A provision in the October 2022 Complementary Finance Law permits those residing in Algeria to import used cars that are three years old or less.

In 2020, Algeria established a maximum annual import volume of 4 million metric tons of bread (common) wheat. The Algerian president announced in August 2021 that the state grains agency (OAIC) would be the country's exclusive wheat importer to counteract alleged "illicit practices" by private importers. In practice, the OAIC was already the sole buyer of wheat, reselling the commodity on the domestic market at subsidized prices. In 2022, the Algerian president announced that the OAIC would have the exclusive right to import rice and pulses as well. However, Algeria has not codified the OAIC's role as the sole buyer of wheat, rice, and pulses.

Import Bans and Import Restrictions

Since January 2009, Algeria's Ministry of Health has restricted the importation of a number of generic pharmaceutical products and medical devices. Since 2007, Algeria has banned the importation of used medical equipment unless the government grants a special exception. Algeria has applied the regulation broadly to block the reimportation of machinery sent abroad for maintenance under warranty, even for equipment owned by state-run hospitals.

Algeria bans the importation of most types of used machinery, except for refurbished assembly line equipment used in domestic industries.

In February 2021, the Ministry of Commerce issued a schedule establishing a seasonal ban for individual agricultural products. The schedule adjusted a year-round restriction on almond imports to a seasonal ban covering June through August. Since October 2021, Algeria has restricted the importation of additional products for which there is minimal demand and for agricultural products not elsewhere specified or indicated in Algeria's tariff schedule. Algeria justified these decisions as necessary to reduce the country's import bill and to combat fraud.

In August 2021, the Ministry of Finance instructed banks to suspend the processing of accounts for importers of products intended for resale starting at the end of October 2021, unless importers complied with a March 2021 decree requiring them to update their import registration to include only one category of product per company. The Ministry of Finance subsequently communicated implementation instructions to the Ministry of Commerce's National Center of Commerce Registry (CNRC) but not to importers themselves. Importers must approach the CNRC individually to seek guidance regarding their particular situation rather than rely on publicly available information.

Customs Barriers and Trade Facilitation

Many companies continue to face problems clearing goods through Algerian customs. Delays can take weeks or months, in many cases without explanation. In addition to a certificate of origin, the Algerian Government requires all importers to provide certificates of conformity and quality from an independent third party. Algerian customs requires that shipping documents be stamped with a "Visa Fraud" note from the Ministry of Commerce, indicating that the goods have passed a fraud inspection before the goods are cleared. Many importations also require authorizations from multiple ministries, which frequently cause additional delays, especially when the regulations do not clearly specify which ministry's authority is being exercised.

SANITARY AND PHYTOSANITARY BARRIERS

Algeria bans the production, importation, distribution, or sale of seeds that are the products of biotechnology. Biotechnology seeds imported for research purposes are excepted.

Algeria maintains animal health certificate requirements for animals and animal products, dairy and dairy products, and processed products of animal origin. The U.S. Department of Agriculture (USDA) Animal and Plant Health Inspection Service and the Algerian Ministry of Agriculture and Rural Development Services concluded a certificate for dairy breeding cattle in November 2024 and a certificate for U.S. bovine semen in September 2023. However, challenges with the recognition and approval of other certificates remain. In 2021 and again in 2023, the USDA Food Safety and Inspection Service submitted a letter requesting that Algeria accept the USDA 9060-5 export certificate for U.S. meat and poultry products. As

of December 31, 2024, USDA was awaiting a response from the Algerian Ministry of Agriculture and Rural Development Services.

GOVERNMENT PROCUREMENT

Since August 2015, all ministries and state-owned enterprises (SOEs) are required to purchase domestically manufactured products whenever available. Procurement of foreign goods is permitted only with special ministerial authorization and if a locally made product cannot be identified. Algeria requires approval from the Council of Ministers for expenditures in foreign currency that exceed DZD 10 billion (approximately \$74 million).

Algeria is not a Member of the WTO and, therefore, is neither a Party to the WTO Agreement on Government Procurement nor an observer to the WTO Committee on Government Procurement.

INTELLECTUAL PROPERTY PROTECTION

Algeria remained on the Watch List in USTR's [2024 Special 301 Report](#). Algeria has taken some positive steps to improve intellectual property (IP) protection and enforcement, including by introducing a draft law to amend the IP regulatory framework, creating a new specialized commercial court responsible for adjudicating IP—and international trade-related disputes, and engaging in capacity building and training efforts for law enforcement, customs officials, judges, and IP protection agencies. However, concerns remain, including the lack of an effective mechanism for early resolution of potential pharmaceutical patent disputes, inadequate judicial remedies in cases of patent infringement, the lack of administrative opposition in Algeria's trademark system, and the need to increase enforcement efforts against counterfeiting and piracy. In addition, there is a lack of clarity about whether Algeria's system protects against the unfair commercial use or unauthorized disclosure of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Algeria imposes a maximum value per transaction of DZD 100,000 (approximately \$745) on citizens when using international credit cards to purchase goods from outside the country. In addition, Algerian foreign exchange regulations prohibit the use of online payment processors to transfer money from one account to another.

In May 2018, Algeria enacted a law requiring electronic commerce platforms conducting business in Algeria to register with the government and to host their websites from a data center located in Algeria. Such localization requirements impose unnecessary costs on service suppliers by requiring redundant storage systems. Such requirements are disproportionately burdensome for small firms.

INVESTMENT BARRIERS

In its 2021 Finance Law, Algeria re-imposed the requirement that Algerian individuals or entities own at least 51 percent of all projects involving foreign investment (known as the 51/49 rule). The requirement applies retroactively to foreign companies already established in Algeria and owning more than 49 percent of operations in strategic sectors such as energy, mining, defense, transportation and infrastructure, and pharmaceuticals, as well as for activities involving raw materials and importers of goods for resale in Algeria. U.S. companies report that the 51/49 rule creates concerns related to their IP rights and financial control of the local venture. In July 2022, the Algerian Government enacted an investment law that called for the creation of Invest Algeria, a one-stop shop for prospective investors to register in-country. However,

as of 2024, Invest Algeria has not been established, and the Algerian Government has not provided further details as to when the initiative will be developed.

The 2022 Book of Specifications for the automotive industry removed the mandate that automotive importers must be 100 percent Algerian-owned. However, importers of vehicles for resale are required to partner with an Algerian company.

STATE-OWNED ENTERPRISES

State Owned Enterprises (SOEs) comprise about two-thirds of the Algerian economy by market value, and their procurements amount to 20 percent of gross domestic product. The national oil and gas company, Sonatrach, is the most prominent SOE, but SOEs are present in all sectors of the economy. SOEs leverage their position in the market to gain advantage over privately owned competitors. For example, state-owned telecommunications provider Algérie Télécom holds a monopoly over all undersea data cable traffic in and out of Algeria, offering services at a considerable advantage over private companies operating in the telecommunications sector. SOEs also have monopolies on activities such as the supply of electricity and water and the purchase and import of cereals and pulses. Several SOEs have weak balance sheets and require regular government financial assistance, partly due to activities such as selling products and services at below cost-recovery levels.

ANGOLA

TRADE AGREEMENTS

The United States–Angola Trade and Investment Framework Agreement

The United States and Angola signed a Trade and Investment Framework Agreement (TIFA) on May 19, 2009. This TIFA is the primary mechanism for discussions of trade and investment issues between the United States and Angola.

IMPORT POLICIES

Tariffs

Angola's average Most-Favored-Nation (MFN) applied tariff rate for all products was 11 percent in 2023 (latest data available). Angola's average MFN applied tariff rate was 21.5 percent for agricultural products and 9.3 percent for non-agricultural products in 2023 (latest data available). Angola has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 59.1 percent and average bound rates of 52.7 percent for agricultural products and 60.1 percent for non-agricultural products.

In response to the COVID-19 pandemic, the General Tax Administration of Angola allowed all medicines and biosafety material to be imported duty free, as of March 27, 2020.

In January 2024, Presidential Decree No. 1/24 outlined a revision of Angola's customs tariffs to support Angola's domestic production. The change in tariff rates applied to most products. The newly released tariff schedule increased import duties on many staple foods including milk (from 10 percent to 40 percent), rice (from duty-free to 20 percent), wheat flour (from 20 percent to 50 percent), vegetable oil (from 10 percent to 40 percent), palm oil (from 10 percent to 40 percent), and cane sugar (from 10 percent to 30 percent). Poultry and offal products, the United States' leading agricultural export to Angola, were assessed with an import duty of 10 percent. The Angolan Government claimed the import duties were meant to encourage domestic production and discourage imports of goods produced in sufficient quantities in the local economy. However, economic analysts in Angola have warned about the risk of product shortages, as the country has been only self-sufficient in bananas and salt.

Non-Tariff Barriers

Quantitative Restrictions

On April 12, 2024, Order No. 035/2024 authorized the opening of the Dynamic Electronic Procedure for Licensing Rice Imports and launched a public tender for rice imports; nine companies were selected. This public tender functioned as a quantitative restriction rather than a government purchase. The government did not appear to use public funds for a purchase but rather used this method to provide discretionary import permits to specific authorized importers to purchase set amounts while withholding import permits from all companies that were not selected under the public tender.

Import Bans/ Restrictions

On October 30, 2023, Angola issued Presidential Decree No. 213/23, which focuses on restricting imports to promote domestic production, primarily of agricultural products. The new decree seeks to encourage investment in local production by providing access to credit for domestic producers and processors. It also specifies that import authorization is conditioned on demonstrating that importers have attempted to enter into contracts with Angolan suppliers prior to importing products. The decree replaced and expanded the scope of products covered by the previous Presidential Decree No. 23/29 from 2019. The United States continues to raise this issue with Angola bilaterally and in the WTO Committee on Market Access, the WTO Committee on Import Licensing, and the WTO Committee on Agriculture.

Additionally, on April 1, 2024, Presidential Decree No. 1/24 prohibited the importation of numerous products based on concerns including “environmental, moral, safety, protection of health and human life, animal and plant health, industrial, commercial, artistic, or historical and archaeological heritage.” The list of prohibited items included numerous lower cost offal products of poultry, pork, cattle, and other animals.

In addition to the prohibition on lower cost items, the Ministry of Agriculture and Forestry suspended issuance of import permits for poultry and offal products that were not included in the schedule of prohibited products. These suspensions were made without official notice and have affected nearly 99 percent of U.S. agricultural exports to Angola.

Customs Barriers

Angola has not notified its customs valuation legislation to the WTO and has not yet responded to the Checklist of Issues describing how the WTO Customs Valuation Agreement is being implemented.

SANITARY AND PHYTOSANITARY BARRIERS

Angola does not maintain an effective risk management program for veterinary and sanitary control purposes. Therefore, consignments of imports classified in Chapters 2 to 23 of the Harmonized System (including animal and vegetable products and foodstuffs) must be laboratory tested prior to importation into Angola and be accompanied by a health certificate.

Agricultural Biotechnology

Angola does not allow the use of agricultural biotechnology in production, and imports containing genetically engineered (GE) components are limited to food aid and scientific research. Angola also prohibits the importation of viable GE grain or seed. The Ministry of Agriculture and Forestry required importers to present documentation certifying that their goods do not include biotechnology products. Importation of GE food is permitted when it is provided as food aid, but the product must be milled before it arrives in Angola. The Ministry of Agriculture and Forestry allows biotechnology imports for scientific research, subject to regulation and controls.

On July 16, 2024, the Government of Angola issued Presidential Decree No. 158/24, creating a Genetically Modified Seed Committee with the aim of establishing a national biosafety system with standards and inspection mechanisms to monitor and authorize the importation, cultivation, transit, investigation, and release of genetically modified seeds. The inter-ministerial committee was coordinated by the Minister of Agriculture and Forests and comprised the Minister of Health, the Minister of Higher Education, Science, Technology and Innovation, the Minister of Environment, and the Minister of Industry and Commerce.

GOVERNMENT PROCUREMENT

Despite revisions to increase transparency in the Public Procurement Law that entered into force on January 22, 2021, simplified contracting or direct awards have continued to be the primary mechanism for public procurement transactions. Civil society and businesses noted that the government's continued regular use of direct public contract awards through tenders by pre-qualification, closed bidding, or simplified contracting for a regular and select few companies without the use of public tenders in various sectors was detrimental to competition for foreign companies. In some instances, companies reported a lack of clarity in certain tender processes.

Angola is neither a Party to the WTO Agreement on Government Procurement nor an observer to the WTO Committee on Government Procurement.

OTHER BARRIERS

Bribery and Corruption

Levels of corruption and bribery have declined, but corruption remained prevalent in Angola due to a lack of uniform implementation of anticorruption laws and an inadequately trained civil service, among other reasons.

The Criminal Law and Criminal Procedure Codes (Law No. 38/20 and Law No. 39/20) on bribery and corruption entered into force on February 9, 2021. Notable changes include corporate criminal liability, harsh penalties for corruption of public officials, criminalization of private corruption, and provisions for seizure of proceeds of a crime, among others. The law also contains provisions that criminalize bribery of national and foreign public officials; seek an appropriate balance between immunities and the ability to effectively investigate, prosecute, and adjudicate offences; enhance cooperation within local law enforcement authorities; and, designate a central anticorruption authority.

Enforcement of anticorruption laws remained inadequate. The United States and the international community have engaged in anticorruption initiatives to help Angola attain its anticorruption objectives. The U.S. Department of Treasury provided technical assistance to the Angola Central Bank (BNA) to increase capacity to combat money laundering and terrorist financing.

In June 2023, the Financial Action Task Force regional body, the Eastern and Southern Africa Anti-Money Laundering Group, conducted an interim mutual evaluation report and identified fundamental weaknesses in Angola's anti-money laundering and countering the financing of terrorism (AML/CFT) system. Deficiencies in AML/CFT cited include a lack of capacity in medium and small banks to implement targeted financial sanctions, a lack of bank capacity to determine the identity of the beneficial owner of accounts, and limited prosecutions for money laundering offenses.

Foreign Exchange

Angola's dependence on oil and gas production meant that activity in the sector heavily influenced the availability of foreign exchange. Foreign exchange availability has improved in major economic sectors but remained inadequate for individuals and small and medium-sized businesses as a result of limited liquidity, which created delays and hurdles for the importation of goods and payment of services. As of December 2023, Angola's currency had depreciated nearly 40 percent since the beginning of the year due to a shortage of U.S. dollars in the foreign exchange market. The BNA issued Notice 3/2023 on March 1, 2023, stipulating that individual Angolans may transfer up to \$250,000 abroad each year.

On December 28, 2023, the Angolan Government reintroduced the Special Contribution for Foreign Exchange Operations (CEOC), targeting transfers in foreign currency outside of Angola, as part of the 2024 budget law. This levy came into effect on January 1, 2024 and applied to transactions such as technical assistance, service provision, consultancy, management, or unilateral transactions, with rates that were set at 2.5 percent for individuals and 10 percent for legal entities. Exemptions from the CEOC included payments for health and education expenses (if paid directly to the institutions' bank accounts), transfers of dividends, and repayments of loan capital and associated interest. The CEOC aimed to regulate foreign exchange operations more tightly, ensuring a fair contribution from transactions impacting Angola's financial reserves.

Business Licensing

Law No. 26/21 of October 2021 transferred the authority to license business activity from provincial governments and municipal administrations to the Angolan President. The law also expanded business licensing eligibility. Commercial stakeholders have expressed concern that the transfer of authority could create dependence on higher governmental powers to authorize commercial activity.

ARAB LEAGUE

The 22 Arab League members are the Palestinian Authority and the following countries: Algeria, Bahrain, Comoros, Djibouti, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Somalia, Sudan, Syria, Tunisia, the United Arab Emirates, and Yemen. The effect of the Arab League's boycott of Israeli companies and Israeli-made goods (originally implemented in 1948) on U.S. trade and investment in the Middle East and North Africa varies from country to country. Efforts by various Arab League members to enforce the boycott have had an extremely limited practical effect overall on U.S. trade and investment ties with many key Arab League countries.

The U.S. Departments of Commerce and Treasury and the USTR monitor boycott policies and practices of Arab League members, and, aided by U.S. embassies, lend advocacy support to firms facing boycott-related pressures. On February 16, 2024, the U.S. Department of Treasury published the list of countries which require or may require participation in, or cooperation with, an international boycott (within the meaning of section 999(b)(3) of the Internal Revenue Code of 1986). The list included Iraq, Kuwait, Lebanon, Libya, Qatar, Saudi Arabia, Syria, and Yemen.

Arab League members that implement boycotts that pose a potential barrier to the United States include:

IRAQ: As a matter of policy, Iraq does not adhere to the Arab League boycott. Most Iraqi ministries and state-owned enterprises have agreed not to comply with or have rescinded regulations enforcing the boycott, following a 2009 Council of Ministers decision to cease boycott-related implementation practices. However, individual Iraqi Government officials and ministries continue to violate that policy. The Ministry of Health's procurement arm (Kimadia) was among the government entities that still issued boycott-related requests.

QATAR: Qatar has a boycott law, but the extent to which the government enforces it is unclear. Although Qatar renounced implementation of the boycott of U.S. firms that do business in Israel (the secondary and tertiary boycott) in 1994, U.S. firms and their subsidiaries continue to report receiving boycott-related requests from public Qatari companies. In those instances, U.S. companies have made efforts to substitute alternative language.

YEMEN: Although Yemen renounced observance of the secondary and tertiary aspects of the boycott in 1995, in the years since, Yemen has continued to enforce the primary boycott and certain aspects of the secondary and tertiary boycotts. Ongoing political turmoil in the country has made it impossible to ascertain current official Yemeni attitudes toward the boycott.

ARGENTINA

TRADE AGREEMENTS

The United States–Argentina Trade and Investment Framework Agreement

The United States and Argentina signed a Trade and Investment Framework Agreement on March 23, 2016. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Argentina.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Argentina's average Most-Favored-Nation (MFN) applied tariff rate was 13.4 percent in 2023 (latest data available). Argentina's average MFN applied tariff rate was 10.3 percent for agricultural products and 13.8 percent for non-agricultural products in 2023 (latest data available). Argentina has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 31.8 percent. Argentina reduced tariff rates on 113 tariff lines between January and September 2024. In October 2023, Argentina raised the tariff rate on whisky to 35 percent, while the tariff on all other alcoholic beverages remains at 12 percent.

Argentina is a founding member of the Southern Common Market (MERCOSUR), formed in 1991, which also comprises Brazil, Bolivia, Paraguay, and Uruguay. On July 5, 2024, Bolivia promulgated its law to become a full member, and it is in the process of incorporating MERCOSUR's regulations. MERCOSUR's Common External Tariff (CET) ranges from zero percent to 35.0 percent *ad valorem*. In July 2022, MERCOSUR countries agreed to a 10 percent reduction of the CET for over 80 percent of product lines. The decision reduced the block's average CET to 10.3 percent and its weighted average to 9.5 percent. Any good imported into Argentina (not including free trade zones) is subject to the payment of the CET to Argentina's customs authority. If the product is then re-exported to another MERCOSUR country, the CET must be paid again to the second country. MERCOSUR approved a Common Customs Code (CCC) in 2010 and launched a plan to eliminate the double application of the CET within MERCOSUR in 2021. However, only Argentina has ratified the CCC, therefore it has not yet taken effect.

Taxes

Argentina maintains a variety of taxes on, and tax exemptions for, imported goods. On December 23, 2019, the Argentine Congress passed Public Emergency Law 27541, raising to 3 percent the rate of the statistical tax, a fee charged on goods imported for consumption. Temporary imports, inputs used to produce goods for export, and imported goods for scientific and technological research are exempted from this tax. Pursuant to Decree 1140/2024, the 3 percent statistical tax rate was extended until December 31, 2027.

Argentina's tax collection processes burden imports by effectively requiring advance payment of income taxes. When goods are imported, Argentina collects a percentage of the value of imports as income tax withholding to be applied to the importer's income taxes. In particular, an advance value-added tax (VAT), ranging from 10 percent to 20 percent, is paid by the importer, unless the goods are for personal use. In addition, the importer is responsible for an income tax withholding of 6 percent to 11 percent of the value

of the imported goods. Imports of consumer goods also have an additional advance VAT rate of 20 percent, and imports of capital goods have an additional 10 percent. Although some of these taxes on importation are reconciled after importation, in practice that takes a significant amount of time. In Argentina's inflationary environment, this advance payment system disproportionately burdens imports. Since 2022, the Argentine Government has required additional information to request the standard reimbursement of VAT taxes after export, which has introduced additional delays to the process, elevating costs and uncertainty for trade operations.

Non-Tariff Barriers

Import Bans

Argentina prohibits the importation of many used capital goods. Under the Argentina–Brazil Bilateral Automobile Pact, Argentina bans the importation of used self-propelled agricultural machinery unless it is imported to be rebuilt in-country. Argentina also prohibits the importation and sale of used or retreaded tires (but in some cases allows remolded tires); most used or refurbished medical equipment, including imaging equipment; and used automotive parts.

Argentina generally restricts or prohibits the importation of any remanufactured good, such as remanufactured automotive parts, earthmoving equipment, medical equipment, and information and communications technology products. In the case of remanufactured medical goods, imports are further restricted by the requirement that the importer of record must be the end user, such as a hospital, doctor, or clinic. These parties are generally not accustomed to importing and are not typically registered as importers.

Import Restrictions

Domestic legislation requires compliance with strict conditions on the entry of those used capital goods that are not prohibited from being imported, as follows: (1) used capital goods can only be imported directly by the end user; (2) overseas reconditioning of goods is allowed only if performed by the original manufacturer, and third-party technical appraisals are not permitted; (3) local reconditioning of the good is subject to technical appraisal to be performed only by the state-run Institute of Industrial Technology, except for aircraft-related items; (4) imported used capital goods cannot be transferred (sold or donated) for a period of four years; and (5) except for a short list of products exempted by Decree 406/2019, and regardless of where the reconditioning takes place, the Argentine Customs Authority requires the presentation of a "Certificate of Import of Used Capital Goods" at the time of importation. From 2019 through 2024, most imported goods and services were subject to taxes ranging from 7.5 percent to 30.0 percent, under the Por una Argentina Inclusiva y Solidaria (PAIS) tax regime, making foreign goods and services significantly less competitive in the Argentine market. The Emergency Law establishing this tax expired on December 23, 2024, and the government did not renew it. Since late 2022, pursuant to General Resolution 5272/2022, some purchases also are subject to an advance payment of the personal asset tax equal to 30 percent of the price of the good or service.

Resolution 909/1994 places restrictions on the importation of certain used goods for consumption, such as parts and components that are not used in the manufacture of other products. The list imposes import tariffs or other restrictions on goods, including electronic and recording equipment; railroad vehicles and other railroad parts; optic, photography, and filming equipment; tractors; buses; aircraft; and ships.

Import Licensing

Argentina eliminated the non-automatic import licensing requirements that had been in place since 2020 and established, on December 21, 2023, a new Statistical System of Imports (SEDI), which serves as a

platform to record trade data. The United States will continue to monitor Argentina's import requirements and encourage transparency and predictability in their administration.

Foreign Exchange Market Access for Imports

Notwithstanding significant improvements to payment terms, importers are still limited in when they can access the foreign exchange market to pay invoices for imported goods and services. Starting August 1, 2024, Argentina's Central Bank (BCRA) reduced payment terms for imports, from 120 days (in four monthly installments equivalent to 25 percent) to 60 days (in two installments); subsequently, effective October 21, 2024, the BCRA reduced import payment terms to 30 days after the shipment's registered arrival date in Argentina. The regulation equally applies to all goods of the economy, and all companies, regardless of size, except for specific exceptions in energy, mining, and freight, among other industries, which have immediate access to the foreign exchange market to pay for imports. The remaining restrictions on paying foreign currency invoices require inter-company negotiations or access to credit by the importing party, increasing transaction costs for imported goods and services. Businesses often need to pay an advance and cannot rely on inter-company transfers to make payments from other jurisdictions.

Customs Barriers and Trade Facilitation

On October 10, 2024, in General Resolution 5582, Argentina revoked the use of reference prices for goods that originate in, or are imported from, specified countries for customs valuation purposes. Prior to this measure, if a good was imported and the invoice price was lower than the reference price, Argentina required importers to obtain an authenticated invoice.

Over the course of 2024, the Ministry of Economy issued numerous resolutions to facilitate international trade by reducing duplicative or burdensome processes and registries in import and customs procedures, and by reducing some quality control requirements in line with international norms. This included eliminating the "economic and financial capacity" analysis and approval for importers, eliminating the automatic "red channel" in customs for goods subject to antidumping, and reducing some safety certifications for products such as bicycles and textiles.

Consularization

Argentina imposes costly and time-consuming consularization requirements on import documentation, a practice at odds with the current trend in customs practice. Shipments to Argentina require commercial invoices and packing lists to be legalized by the Argentine consulate in the country of export. Consulates will only legalize a commercial document after it has been signed by a Chamber of Commerce that is recognized by the relevant consulate. Furthermore, Argentina requires certificates of origin that must be authenticated by an Argentine Embassy or consulate or carry a U.S. Chamber of Commerce seal.

SANITARY AND PHYTOSANITARY BARRIERS

Live Cattle

Argentina banned imports of U.S. cattle and beef products in 2002 due to purported concerns regarding bovine spongiform encephalopathy (BSE). Although the market reopened to U.S. beef in 2018, it remains closed to U.S. live cattle, pending continued technical level engagement between the United States and Argentina on a mutually agreeable sanitary certificate.

INTELLECTUAL PROPERTY PROTECTION

Argentina remained on the Priority Watch List in the [2024 Special 301 Report](#). The situation for innovators in the pharmaceutical and agrochemical sectors presents significant challenges. First, the scope of patentable subject matter is significantly restricted under Argentine law. Second, current policies provide inadequate protection against the unfair commercial use and unauthorized disclosure of undisclosed test and other data submitted to the Argentine Government in conjunction with its lengthy marketing approval process. The United States urges Argentina to ensure transparency and due process in the protection of geographical indications (GIs) and to ensure that the grant of GI protection does not deprive interested parties of the ability to use common names, particularly as Argentina proceeds with the European Union–MERCOSUR Trade Agreement. In addition, the backlog continues for patent applications for pharmaceuticals and biosimilar products, resulting in unreasonable delays for these products.

Enforcing intellectual property rights in Argentina continues to prove challenging, as counterfeit and pirated goods remain widely available. The physical markets of La Salada and Barrio Once are both listed in the [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List). For example, La Salada in Buenos Aires, one of the largest black markets for counterfeit and pirated goods in Argentina, continues to sell counterfeit products online. Furthermore, the existing legal regime and weak enforcement hinder the ability of rights holders, law enforcement, and prosecutors to halt, through legal action, the growth of illegal markets, both online and physical.

SERVICES BARRIERS

Similar to goods importers, services suppliers are subject to restrictions on their ability to access the foreign exchange market. At the same time, pursuant to Decree 70/2023 issued December 21, 2023, Argentina no longer requires import authorization for imports of services and eliminated the electronic system for requesting such authorizations.

Audiovisual Services

Argentina's Media Law imposes production requirements on advertising and publicity materials. The Media Law also establishes broadcast content requirements on companies with radio licenses (particularly for news and music) and on private television operators. On October 23, 2024, pursuant to Resolution 1094/2024, the Telecommunications Regulator (ENACOM) revoked the requirement established in the Media Law obliging cable TV operators to broadcast national news content.

Telecommunications Services

In July 2024, ENACOM issued resolution 13/2024, revoking all price controls on information and communication technology (ICT) services. Previously, having classified fixed and mobile telephone services, Internet access services, and pay television service as “essential and strategic public services” and subject to rate regulation in 2020, ENACOM had established price controls on ICT services at rates below inflation, undermining competition and discouraging investment in this sector.

AUSTRALIA

TRADE AGREEMENTS

The United States–Australia Free Trade Agreement

The United States–Australia Free Trade Agreement (FTA) entered into force on January 1, 2005. Under this agreement, as of January 1, 2015, Australia provides duty-free access to all U.S. exports. The United States and Australia meet periodically to review the implementation and functioning of the FTA and to address outstanding issues.

SANITARY AND PHYTOSANITARY BARRIERS

Animal Health

Beef

Australia requires completion of a complex approval process before it will permit the importation of bovine products from a country that has reported any indigenous cases of bovine spongiform encephalopathy (BSE). In 2003, Australia closed its market to U.S. beef after the detection of BSE in the United States. In May 2018, Australia lifted its ban on heat-treated, shelf-stable beef products from the United States. However, Australia’s market remains closed to fresh U.S. beef and beef products. The United States and Australia held a series of technical discussions to address outstanding differences, and the United States continues to seek full market access for fresh U.S. beef and beef products.

Pork

Pork and pork products are the third-leading U.S. agricultural export to Australia, valued at approximately \$233.5 million in 2023. However, due to Australia’s stated concerns about porcine reproductive and respiratory syndrome (PRRS) and post-weaning multi-systemic wasting syndrome (PMWS), Australia does not permit imports of fresh/chilled pork and bone-in products from the United States. The United States has provided Australia with scientific evidence demonstrating the safety of U.S. pork products; however, the issue remains unresolved. Access to the Australian market for fresh/chilled/frozen pork, bone-in pork, and pork products remains a high priority for the United States.

Poultry

Australia prohibits imports of uncooked poultry meat from all countries except New Zealand. While cooked poultry meat products may be imported, current import requirements (as set out in an import risk analysis) mandate that imported poultry meat products be cooked to a minimum core temperature of 74 degrees Celsius for 165 minutes or the equivalent. This cooking temperature is not suitable for prepared deli meats, resulting in a significant barrier for cooked poultry products that would be suitable for sale in restaurants or delicatessens. Since 2012, the United States and Australia have exchanged technical information to attempt to resolve the issue. The United States has identified this issue as a high priority and will continue to work with Australia to gain meaningful commercial market access for cooked poultry meat.

Plant Health

Apples and Pears

Australia prohibits the importation of apples and pears from the United States based on concerns regarding several pests. In November 2018, Australia announced it was commencing a new risk analysis for fresh apples from U.S. Pacific Northwest states. In October 2020, Australia published the draft risk analysis for a 90-day comment period. The United States provided comments in response to Australia's draft risk analysis for U.S. apples in January 2021 and the final risk analysis for U.S. Pacific Northwest apples was published on October 31, 2022. The United States continues to work with Australia to secure market access for U.S. apples.

Australia currently prohibits the importation of pears from the United States due to the bacterial disease fire blight. Australia is concerned that the disease could be transmitted to its domestic apple and pear crops. However, the United States has provided evidence to Australia that demonstrates that mature, symptomless pears do not support populations of the fire blight bacteria and are not part of the disease pathway.

INTELLECTUAL PROPERTY PROTECTION

Under the FTA, Australia must notify a pharmaceutical product patent owner of a request for marketing approval by a third party for a product claimed by that patent owner. Australia must also provide measures in its marketing approval process to prevent persons other than the patent owner from marketing a patented product during the patent term. U.S. and Australian pharmaceutical companies have expressed concerns about delays in this notification process. The United States has also raised concerns about certain provisions in Australian law regarding potential civil damages in cases where a patent owner seeks a preliminary injunction. The United States will continue to monitor these issues.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Mandatory Bargaining Code

On March 2, 2021, the Australian Government passed the Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Act 2021 (Bargaining Code). Under the Bargaining Code, designated platform services companies are required to engage in negotiations with registered Australian news media businesses to pay the news businesses for content accessed via certain services offered on the companies' digital platforms. In December 2024, the Government announced its intent to tighten the rules surrounding the Bargaining Code, including by introducing a financial penalty for designated platforms that do not reach or renew commercial agreements. The United States continues to monitor this issue.

SERVICES BARRIERS

Audiovisual Services

Australia is considering imposing Australian screen content requirements on streaming video services as part of its National Cultural Policy. The Policy, published in January 2023, recommends that the Australian Government introduce "requirements for Australian screen content on streaming platforms to ensure continued access to local stories." The Australian Government has consulted on potential models and intends to introduce legislation codifying the selected model ahead of the federal election, which must be held by May 2025. The United States will continue to monitor this issue to ensure Australia's compliance with its FTA obligations.

INVESTMENT BARRIERS

In October 2019, a parliamentary legislative committee of the New South Wales (NSW) government recommended that the NSW government address the issue of compensation for certain investors, including U.S. shareholders, in a mining project whose operating license was canceled in 2014. When canceling the license, the NSW government also passed legislation precluding the payment of compensation relating to such cancellation. To date, the NSW government has not acted on the parliamentary committee's recommendation to provide shareholders, including U.S. investors, with recourse to seek compensation.

BANGLADESH

TRADE AGREEMENTS

The United States–Bangladesh Trade and Investment Framework Agreement

The United States and Bangladesh signed a Trade and Investment Cooperation Forum Agreement (TICFA) on November 25, 2013. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Bangladesh.

IMPORT POLICIES

Bangladesh’s import policies are outlined in the Import Policy Order (IPO) 2021-24 issued by the Ministry of Commerce (MOC). The IPO outlines all import-related policies in seven chapters for agricultural and non-agricultural goods. The IPO has two lists: the “List of Controlled Goods” and the “List of Prohibited Goods.”

Tariffs

Bangladesh’s average Most-Favored-Nation (MFN) applied tariff rate was 14.1 percent in 2023 (latest data available). Bangladesh’s average MFN applied tariff rate was 17.7 percent for agricultural products and 13.5 percent for non-agricultural products in 2023 (latest data available). Bangladesh has bound 17.6 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 155.1 percent.

Non-Tariff Barriers

Customs Barriers and Trade Facilitation

Bangladesh ratified the WTO Trade Facilitation Agreement (TFA) in September 2016. Bangladesh has not yet submitted its transparency notifications related to import, export, and transit regulations. These notifications were due to the WTO on December 31, 2023, according to Bangladesh’s self-designated TFA implementation schedule.

Bangladesh has not notified its customs valuation legislation to the WTO and has not yet responded to the Checklist of Issues describing how the WTO Customs Valuation Agreement is being implemented.

GOVERNMENT PROCUREMENT

Government procurement is primarily undertaken through public tenders under the Public Procurement Act of 2006 and conducted by the Central Procurement Technical Unit. Bangladesh publicly subscribes to principles of international competitive bidding; however, charges of corruption have been very common. Bangladesh has launched a national electronic government procurement portal, but U.S. stakeholders have raised concerns about the use of outdated technical specifications, the structuring of specifications to favor preferred bidders, and a lack of overall transparency in public tenders. Several U.S. companies have claimed that their foreign competitors often use their local partners to influence the procurement process and to block awards to otherwise competitive U.S. company bids. U.S. companies have reported instances of alleged bid rigging in government tenders in Bangladesh. U.S. companies have also alleged the use of bribery, anticompetitive practices, and a lack of transparency in the bidding process, all of which

disadvantage U.S. companies' bidding on government tenders. Bangladesh's interim government, which was formed in August 2024 and will remain in office until general elections are held likely in late 2025 or early 2026, has affirmed a commitment to making reforms that would facilitate open tenders and transparent procurement, while suspending negotiations the former regime was pursuing directly.

Bangladesh is neither a Party to the WTO Agreement on Government Procurement (GPA) nor an observer to the WTO Committee on Government Procurement.

INTELLECTUAL PROPERTY PROTECTION

Bangladesh continues to lack adequate intellectual property (IP) protection and enforcement, due in part to the Government devoting limited resources towards IP protection and enforcement, and counterfeit and pirated goods are readily available. A number of U.S. stakeholders have reported increases in potential IP violations across industries, including consumer goods, apparel, pharmaceutical, and software industries. Stakeholders also report a growing trend of Bangladesh serving as a source country for counterfeits distributed globally. The lack of investigative resources and expertise of the police and their reluctance to initiate independent investigations has further impeded IP right holders' ability to enforce their rights. In addition, IP right holders have raised concerns about the courts' ability to adjudicate IP cases fairly.

Bangladesh has taken some steps in recent years to improve IP protection through legislative reforms, including the passing of a new patent law in April 2022, which was further revised in September 2023, followed by copyright amendments in October 2023, and the enactment of the Industrial Design Act in July 2023. However, the effectiveness of these changes remains uncertain since the implementing rules have yet to be finalized. Additionally, the lack of stakeholder interaction and a public comment process in the development of these reforms remains a concern. Bangladesh continues to lack transparent rulemaking processes that include seeking input from stakeholders in order to address the gaps in IP protection and make meaningful improvements to its IP regime.

To strengthen Bangladesh's IP regime, better coordination among enforcement authorities and other government institutions is crucial. These include Customs, the Office of the Attorney General, the Copyright Office, the Bangladesh Investment Development Authority (BIDA), and the Department of Patents, Designs, and Trademarks (DPDT). In addition, customs officials, police, and the judiciary would benefit from participating in available training opportunities as a means of improving Bangladesh's IP rights enforcement.

Recognizing the challenges faced by Bangladesh, the United States continues to engage through the TICFA and has provided IP-related technical assistance and capacity building focused on issues such as copyright, trademarks, geographical indications (GI) and enforcement.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Internet Services

The Information and Communication Technology Act of 2006, amended in 2013, authorizes the Government of Bangladesh to access any computer system for the purpose of obtaining any information or data, and to intercept information transmitted through any computer resource. Under this law, Bangladesh may also prohibit the transmission of any data or voice call and censor online communications.

In February 2022, the Bangladesh Telecommunications Regulatory Commission (BTRC) published the Regulation for Digital, Social Media and Over the Top (OTT) Platforms, 2021. The regulations were

presented in their final form to a subdivision of the Supreme Court of Bangladesh on October 19, 2022. The regulations are a content governance framework for digital, social media, and media platforms operating in the country. The framework seeks to introduce traceability within end-to-end encrypted services. Industry and civil society stakeholders have expressed concerns that the regulations will grant government authorities sweeping powers to dictate online content with the threat of criminal liability for firms and employees deemed noncompliant.

Personal Data Protection Regulation

The Information and Communication Technology Division (ICT Division) of the Ministry of Posts, Telecommunications and Information Technology has developed the Personal Data Protection Act (formerly the Data Protection Act), which received in-principle approval from the cabinet in November 2023. On January 21, 2025, the Ministry published a new draft bill, which was subsequently retracted. If adopted, the latest version of the law would apply to the collection, processing, use, and sharing of data of individuals within Bangladesh, as well as data outside Bangladesh that is related to citizens of, or business carried out in, Bangladesh. Concerns remain over data localization requirements on “classified data,” which could also allow access to data by Bangladeshi law enforcement. The most recent draft was advanced with minimal stakeholder consultation, raising concerns around transparency in rulemaking.

Cybersecurity

In September 2023, the Bangladesh Parliament passed the Cyber Security Act of 2023 (CSA), replacing the Digital Security Act of 2018. The law, like its predecessor, criminalizes certain forms of free expression by allowing for court cases to be brought against people for online posts. On December 3, 2024, the interim government approved a draft Cyber Protection Ordinance to replace the CSA. The ordinance will have the full force of law if ratified by the next Parliament.

Shutdowns and Other Threats to the Open Internet

Since 2015, Bangladesh has regularly imposed Internet shutdowns that restrict access to information and services, disrupting commercial operations, and thereby undermining a free and open Internet and impeding trade in the digital economy. The BTRC ordered mobile operators to limit data transmissions for political reasons on several occasions in 2019, 2020, and 2023 ahead of politically sensitive events, including local and national-level elections. The BTRC ordered mobile operators to block all services in the Rohingya refugee camps in Cox’s Bazar, except for voice calls, from September 2019 until August 2020. During the July 2024 to August 2024 civil unrest that led to the change in government, the BTRC shut off all internet and mobile data in the country for a period of 10 days. A subsequent investigation by the interim government found this shutdown had occurred without judicial or administrative approval. The United States continues to monitor the impact of these events on U.S. trade and investment, including services exports.

INVESTMENT BARRIERS

Bangladesh generally permits 100 percent foreign ownership in most sectors, but foreign ownership is subject to equity caps in certain sectors, including petroleum marketing, gas distribution, and telecommunications. Foreign investors must also receive a No Objection Certificate from the relevant government ministry in order to invest in 22 sectors, including banking, finance, and insurance; power generation and distribution; large-scale infrastructure projects; chemicals; and oil and natural gas. Bangladesh permits the repatriation of profits, revenue, dividends, and external payments, but U.S. and other foreign investors have raised concerns that the procedures and requirements for outbound transfers of

investment-related capital from Bangladesh remain cumbersome, lack transparency, and often result in significant delays, with some companies waiting over a year for approvals of their repatriation applications. U.S. companies seeking remittances have also reported significant delays in securing required approvals from regulators, which are required before companies can seek central bank clearance. Bangladesh's interim government has agreed to enter into formal repayment agreements with U.S. companies with outstanding arrears and has committed to improving bureaucratic procedures for approving the repatriation of investment-related capital, which the United States will continue to monitor.

SUBSIDIES

Bangladesh maintains a range of agricultural subsidies but made small reductions in subsidies for the 2024-2025 budget year. The subsidies allow grain to be purchased at a support price, and reduce the price of production inputs for producers, including for non-product-specific support through subsidized fertilizers, diesel fuel, electricity for irrigation, and agricultural machinery. Support for diesel fuel and agricultural machinery has yet to be notified to the WTO Committee on Agriculture. The subsidized fertilizer is distributed through a controlled channel, which keeps prices reasonably stable. In addition, Bangladesh provides export cash incentives for a variety of agricultural products, including vegetables, fruits, and processed agricultural products. In 2023, Bangladesh notified a backlog of domestic support notifications through Fiscal Year 2020/2021 to the WTO Committee on Agriculture. The most recent export subsidy notifications cover Fiscal Year 2006/2007.

Bangladesh has never submitted a subsidies notification to the WTO Committee on Subsidies and Countervailing Measures. According to publicly available information from the Bangladesh Investment and Development Authority, industries exporting more than 80 percent of their goods, regardless of their locations (*i.e.*, within or outside of an export processing zone), can be exempted from income tax for 50 percent of their export earnings, provided that the industry is not already paying income tax at a reduced rate. Furthermore, exporters in certain sectors may be eligible for additional benefits in the form of a subsidy or cash incentive based on certain conditions. Other publicly available information indicates that exporters in 43 sectors receive cash incentives, ranging from 1 percent to 20 percent of the export value, as long as the exported product contains at least 30 percent domestic value added. Bangladesh is currently excepted from the WTO Agreement on Subsidies and Countervailing Measures prohibition on export subsidies by virtue of its status as a least developed country (LDC). Bangladesh continues to support proposals that would allow a WTO Member to continue to benefit from this exception even after it graduates from LDC status.

LABOR

In 2013, the United States suspended all of Bangladesh's tariff benefits under the Generalized System of Preferences (GSP) program due to Bangladesh's failure to meet statutory eligibility requirements related to worker rights, particularly with regard to acceptable conditions of work in the ready-made garment sector, including fire and building safety, and freedom of association. As of December 31, 2024, Bangladesh remained ineligible for duty-free treatment under GSP.

During 2024, the United States Government developed an 11-point Labor Action Plan for Bangladesh, detailing actions the Government of Bangladesh would need take to demonstrate that it is taking steps to meet the worker rights eligibility criteria for the GSP program. The Labor Action Plan focuses on improving the ability of workers to form and join independent trade unions, enhancing accountability for violence against workers, and enforcing health and safety regulations through improved labor inspection. The United States Government delivered the Labor Action Plan to the Government of Bangladesh during the April 2024 TICFA intersessional meeting in Dhaka. The interim government recognizes labor as one

of its top three priorities, and the United States Government intends to continue engagement on workers' rights.

OTHER BARRIERS

Bribery and Corruption

Corruption is a pervasive and long-standing problem in Bangladesh, and anticorruption law is inadequately enforced. The Code of Criminal Procedure, the Prevention of Corruption Act, the Penal Code, and the Money Laundering Prevention Act criminalize attempted corruption, extortion, active and passive bribery, bribery of foreign public officials, money laundering, and use of public resources or non-public state information for private gain. However, bribery and extortion in commercial dealings have been common features of business despite the illegality of facilitation payments and gifts. There have also been efforts to water down anti-corruption safeguards of government procurement rules. U.S. companies have complained about long delays in obtaining approval of licenses and bids as Bangladeshi Government officials seek bribes. The interim government has highlighted fighting corruption as one of its top reform priorities.

There have been continuous proposals to curb the independence of the Anti-Corruption Commission (ACC), the main institutional anticorruption watchdog. The Sarkari Chakori Ain Bill (Government Job Act), enacted in October 2018, requires the ACC to seek permission of the authorities concerned before arresting any government official and limits the ability of the ACC in investigating corruption allegations against government officials. While the ACC has increasingly pursued cases against government officials, mainly lower-level officials and some higher-level officials, there remains a large backlog of cases.

BOLIVIA

IMPORT POLICIES

Tariffs

Bolivia's average Most-Favored-Nation (MFN) applied tariff rate was 11.8 percent in 2023 (latest data available). Bolivia's average MFN applied tariff rate for agricultural products was 13.2 percent and 11.5 percent for non-agricultural products in 2023 (latest data available). Bolivia has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 40 percent.

Bolivia's MFN tariff structure consists of seven rates ranging from zero percent to 40 percent. The tariff rates are: zero percent for certain capital goods, such as machinery and equipment that are not produced locally or are considered essential for the development of strategic sectors, such as agriculture, mining, and infrastructure; 5 percent for other capital goods and inputs, generally applied to raw materials and some intermediate products required for production of final goods in country; 10 percent for most intermediate products, including production inputs, food items, and equipment; 15 percent for final consumer goods and finished products that compete with local production and a wide-range of other products imported for direct consumption, such as fruit, vegetables, and fish; and 20 percent to 40 percent for certain products related to sectors the Bolivian government protects due to local production, such as luxury goods, vehicles, certain types of textiles, and clothing. Bolivian law allows the government to raise tariffs if necessary to protect domestic industry or, alternatively, to lower tariffs if supplies run short.

In July 2024, Bolivia was approved for full membership in the Southern Common Market (MERCOSUR), formed in 1991, which also includes Argentina, Brazil, Paraguay, and Uruguay. As a result, the Bolivian Government will be required to adjust its tariff structure over the next four years.

Non-Tariff Barriers

Import Bans

In 2023, Bolivia imposed import prohibitions on 33 tariff lines. Prohibited items include some types of vehicles and motor vehicles, in particular, vehicles using liquefied gas, used motor vehicles more than one year old, motor vehicles more than three years old used for the transport of more than 10 persons, and special-purpose motor vehicles more than five years old.

Customs Barriers and Trade Facilitation

Bolivia ratified the WTO Trade Facilitation Agreement (TFA) in January 2018. In September 2024, Bolivia submitted its transparency notifications related to: (1) import, export, and transit regulations; (2) the operation of the single window; (3) the use of customs brokers; and (4) customs contact points for the exchange of information. Those notifications were due to the WTO on February 22, 2017, according to Bolivia's self-designated TFA implementation schedule.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Cosmetics and Personal Care

Andean Community Resolution 2310, entered into force on December 17, 2024. This resolution includes technical regulations on labeling of cosmetic and personal care products and prohibits existing labels to comply with specific Andean Community labeling requirements.

Sanitary and Phytosanitary Barriers

Import Permits

The National Agricultural Health and Food Safety Service (SENASAG) is responsible for certifying the health safety status of products for domestic consumption, including imports, and for issuing sanitary and phytosanitary import permits. Importers have voiced concerns regarding SENASAG's transparency and with the inconsistent application of agricultural health and food safety standards and regulations.

SENASAG inspectors routinely use inconsistent and unclear criteria when evaluating food health and safety standards and reviewing supporting importation documents. A lack of transparency in the institution increases the uncertainty about whether products entering Bolivia will be examined using clear and consistent criteria. Bolivia's facility registration requirements for animal products (beef, pork, poultry, dairy, genetic material, and animal by-products) are more onerous than necessary to protect health, and SENASAG applies these requirements in an inconsistent manner. These practices have limited the ability for several U.S. agricultural exporters to gain market access to Bolivia, despite the demand for these products.

GOVERNMENT PROCUREMENT

The Buy Bolivian (Compro Boliviano) program supports domestic production by giving preference margins to domestic goods or suppliers in government procurement.

Importers of foreign products can participate in procurements valued between \$142,000 and \$5.7 million only in cases where domestically-manufactured products and domestic service providers are unavailable or when the Bolivian Government does not initially select a domestic supplier. Foreign companies submitting tenders for government consultancy contracts are required to do so in association with a Bolivian company, although the Bolivian Government occasionally makes exceptions in strategic sectors. For national and international tenders, preference margins are from 10 percent to 25 percent for Bolivian inputs.

As a general matter, the tendering process is nontransparent and acts as a barrier to participation. Government requirements and the details of the tender are not always defined, and procurement notices are not always made public. For example, many of the state-owned companies, including the state-owned oil and gas company, Yacimientos Petrolíferos Fiscales Bolivianos, the state-owned electricity company, Empresa Nacional de Electricidad, and, the state lithium company, Yacimientos de Litio Bolivianos, are not required to publish tenders through the official procurement website, Sistema de Contrataciones Estatales. U.S. stakeholders have raised concerns that these state-owned companies are not required to follow the procedures established in the national procurement law. One U.S. company noted a Bolivian Government tender was prepared in such a way that only one specific company would be able to qualify.

Bolivia is neither a Party to the WTO Agreement on Government Procurement (GPA) nor an observer to the WTO Committee on Government Procurement.

INTELLECTUAL PROPERTY PROTECTION

Bolivia remained on the Watch List in the 2024 Special 301 Report. The report noted that significant challenges continue with respect to adequate and effective intellectual property (IP) protection and enforcement. While certain Bolivian laws provide for the protection of copyrights, patents, and trademarks, they do not address trade secret protection. Significant challenges also persist with respect to widespread piracy and counterfeiting. The Special 301 Report again encouraged Bolivia to improve its weak protection and enforcement of IP. Bolivia's IP agency, Servicio Nacional de Propiedad Intelectual, signed a memorandum of understanding (MOU) with the United States Patent and Trademark Office in 2020 to help address Bolivia's challenges. However, the Bolivian administration that took office at the end of 2020 does not recognize the MOU.

STATE-OWNED ENTERPRISES

In an effort to control key sectors of the economy, the Bolivian Government has made state-owned enterprises (SOEs) a major feature of the Bolivian economy. The government has obtained or maintained majority ownership in a number of companies in a long list of sectors including hydrocarbons, electricity, mining, and telecommunications. Bolivia has also created dozens of new public companies in "strategic" sectors such as food production, industrialization of natural resources, air travel, banking, and mining. U.S. stakeholders have expressed concern that these SOEs engage in unfair subsidized competition, constituting a significant barrier to investment.

The Bolivian Government owns the second-largest bank in Bolivia, Banco Union, which competes with U.S. providers of banking services. Other SOEs include: the Sugar Cane Company of San Buena Aventura; Bolivia's Industrialization Company of Gas and Oil; computer technology company QUIPUS; dairy processing company Lácteosbol; recycled paper company PAPELBOL; Brazil nut export company Empresa Boliviana de Alimentos; Bolivian national airline Boliviana de Aviación, the main operator in Bolivia; oil and gas company Yacimientos Petrolíferos Fiscales Bolivianos; electricity company Empresa Nacional de Electricidad; and lithium company Yacimientos de Litio Bolivianos. Large SOEs such as these can acquire credit from the Central Bank at very low interest rates and on more convenient terms than non-SOEs, resulting in an unfair financial subsidy. The largest five SOEs alone owe the Central Bank \$5.3 billion, more than double Bolivia's international reserves. In many cases, government entities are directed by the government to do business with SOEs.

The Bolivian Government grants ownership rights and controls the exploitation, exploration, and industrialization of natural resources through joint ventures between government entities or state-owned companies and public companies, communities, and private companies. No concessions or contracts may transfer ownership of hydrocarbon deposits to private or other interests.

BRAZIL

TRADE AGREEMENTS

The United States–Brazil Agreement on Trade and Economic Cooperation

The United States and Brazil signed the Agreement on Trade and Economic Cooperation (ATEC) on March 19, 2011. This agreement is the primary mechanism for discussions of trade and investment issues between the United States and Brazil.

On November 17, 2021, the Brazilian Congress ratified the 2020 United States–Brazil Protocol Regarding Trade Rules and Transparency, which entered into force on February 2, 2022. The Protocol updated the ATEC in the areas of anticorruption, good regulatory practices, and trade facilitation and customs administration. Implementation of the Protocol fosters a more transparent economic environment, reduces red tape, and improves regulatory processes.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Brazil's average Most-Favored-Nation (MFN) applied tariff rate was 11.2 percent in 2023 (latest data available). Brazil's average MFN applied tariff rate was 8.1 percent for agricultural products and 11.7 percent for non-agricultural products in 2023 (latest data available). Brazil has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 31.4 percent. Brazil's maximum bound tariff rate for non-agricultural products is 35 percent, and its maximum bound tariff rate for most agricultural products is 55 percent.

Brazil is a founding member of the Southern Common Market (MERCOSUR), formed in 1991, which also includes Argentina, Bolivia, Paraguay, and Uruguay. On July 5, 2024, Bolivia promulgated its law to become a full member, and it is in the process of incorporating MERCOSUR's regulations. The MERCOSUR Common External Tariff (CET) ranges from zero percent to 35.0 percent *ad valorem*. In July 2022, MERCOSUR countries agreed to a 10 percent reduction of the CET for over 80 percent of tariff lines. The decision reduced the block's average CET to 10.3 percent and its weighted average to 9.5 percent. Any good imported into Brazil (not including from free trade zones) is subject to payment of the CET to Brazil's customs authority. If the product is then re-exported to another MERCOSUR country, the CET must be paid again to the second country. MERCOSUR approved a Common Customs Code (CCC) in 2010 and launched a plan to eliminate the double application of the CET within MERCOSUR in 2021. However, only Argentina has ratified the CCC, therefore it has not yet taken effect. Although the Brazilian Congress approved the agreement in 2018, it has not been promulgated by the executive branch, which is necessary for ratification.

Brazil imposes relatively high tariffs on imports across a wide range of sectors, including automobiles, automotive parts, information technology and electronics, chemicals, plastics, industrial machinery, steel, and textiles and apparel. In addition, Brazil's bound rates are often much higher than its applied rates, and U.S. exporters face significant uncertainty in the Brazilian market because the government frequently modifies tariff rates within the flexibilities of MERCOSUR. The lack of predictability with regard to tariff rates makes it difficult for U.S. exporters to forecast the costs of doing business in Brazil.

Ethanol Tariff

Between 2011 and 2017, bilateral trade of ethanol between the United States and Brazil, the world's two largest producers and consumers of ethanol, was virtually duty free. However, between September 2017 and January 2022, Brazil imposed first a tariff-rate quota (TRQ) and then the MERCOSUR CET of 20 percent on all imports of ethanol, the vast majority of which the United States supplies. Although the tariff was below Brazil's WTO bound tariff rate of 35 percent, the TRQ and the CET have reduced previously robust bilateral trade of ethanol. Brazil temporarily suspended the tariff, effective March 23, 2022, but that suspension expired on January 31, 2023, when the tariff was reimposed at 16 percent. The tariff then increased to 18 percent in 2024. The United States continues to engage with Brazil to lower its ethanol tariff to provide reciprocal treatment for trade in ethanol between the United States and Brazil.

Taxes

Brazil imposes a 16.25 percent *ad valorem* Industrial Product Tax (IPI) on cachaça, a domestic distinctive product produced from sugarcane, while imposing a 19.5 percent *ad valorem* IPI on other alcoholic beverages, including imports from the United States.

In audiovisual services, Brazil imposes several taxes on foreign products that it does not apply equally to domestic products.

Brazil imposes a fixed tax on each foreign film released in theaters, foreign home entertainment products, foreign programming for broadcast television, and foreign content and foreign advertising released on cable and satellite channels. The taxes are significantly higher than the corresponding taxes levied on Brazilian products. In addition, 80 percent of the programming aired on "open broadcast" (non-cable) television channels must be Brazilian and foreign ownership in print media and "open broadcast" television is limited to 30 percent.

Remittances to foreign producers of audiovisual works are subject to a 25 percent income withholding tax. As an alternative to paying the full tax, producers can elect to invest 70 percent of the tax value in local independent productions. In addition, local distributors of foreign films are subject to a tax equal to 11 percent of remittances to the foreign producer or, alternatively, the distributor may invest an amount equal to 3 percent of the total remittances in local independent productions. This levy is also assessed on foreign-produced video and audio advertising.

Non-Tariff Barriers

Import Bans

Brazil restricts the entry of certain types of remanufactured goods (*e.g.*, earthmoving equipment, automotive parts, and medical equipment). Brazil only allows the importation of such goods if an importer can provide evidence that the goods are not or cannot be produced domestically, or if they meet certain other limited exceptions.

With some exceptions, Brazil generally prohibits imports of used consumer goods, including automobiles, clothing, tires, medical equipment, and information and communications technology products.

Import Licensing

Brazil has both automatic and non-automatic import licensing requirements. Brazil's non-automatic import licensing system covers imports of products that require authorization from specific ministries or agencies, such as agricultural commodities and beverages (Ministry of Agriculture, Livestock, and Supply (MAPA)) and pharmaceuticals (National Sanitary Regulatory Agency). A list of products subject to non-automatic import licensing procedures is available on the Secretariat of Foreign Trade's computerized documentation system, but specific information related to non-automatic import licensing requirements and explanations for rejections of non-automatic import license applications are not available. The lack of transparency surrounding these procedures is an impediment to U.S. exports. U.S. exporters of footwear and apparel and in the automotive sector have expressed concerns about these non-automatic licensing requirements. For automobiles, delays in issuing non-automatic import licenses negatively affect exports of U.S. automobile and automotive parts to Brazil.

Customs Barriers and Trade Facilitation

U.S. companies continue to complain of inconsistent documentation requirements for the importation of certain types of goods, such as heavy equipment. These documentation requirements apply even if imports are on a temporary basis and are destined for use in other countries. In January 2022, Brazil changed the documentation requirements for temporary admission of goods, making it difficult to bring samples, equipment, or displays for exhibitions into Brazil without paying significant customs duties.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Biofuels Regulations

Brazil's national biofuels policy, "RenovaBio," promotes the development and use of biofuels through the creation of a carbon credit market to offset greenhouse gas emissions. Under the program's current rules, non-Brazilian producers of biofuels are ineligible to participate in and qualify for carbon credits under the program. The United States continues to engage with Brazil, including through formal U.S. comments on Brazil's recent draft revisions to RenovaBio, to urge Brazil to revise its regulations to allow U.S. producers to be eligible for equal treatment under the program.

Wine Regulations

Brazil requires duplicative documentation for imports of wine. Technical Regulation No. 75 of December 31, 2019, requires that imported wine have both a certificate of analysis and an import inspection pre-certification report generated by a Brazilian laboratory upon importation. The United States continues to monitor Brazil's pending updates to its wine regulations, specifically regarding export certification and laboratory testing requirements for wine products.

Telecommunications Products

Effective December 2021, Brazil's telecommunications agency (ANATEL) established approval requirements as a prerequisite for importing telecommunications products for usage and sale, with exceptions for products entering the country for demonstration, self-use, scientific purposes, or manufacturing of exports. Approval must be obtained prior to the product's entry into the country.

Sanitary and Phytosanitary Barriers

Pork

In a Joint Statement issued by the White House on March 19, 2019, the United States and Brazil agreed to science-based conditions to open Brazil's market to U.S. pork. However, Brazil's market is still closed to U.S. fresh and frozen pork due to Brazil's concerns that pork products imported into the United States from the European Union increase risks associated with African Swine Fever. Brazil has not provided scientific evidence that supports the ban and the ban appears to be inconsistent with World Organization for Animal Health international standards. Discussions between the U.S. Department of Agriculture and MAPA are ongoing but have yet to establish access for U.S. pork exports to Brazil.

GOVERNMENT PROCUREMENT

Although Brazil has taken steps to make its procurement market more transparent, restrictions and domestic preferences remain. For example, Brazilian state enterprises may only subcontract services to a foreign firm if domestic expertise is unavailable and foreign firms may only bid to provide technical services if there are no qualified Brazilian firms. Brazil also requires procurement contracts, particularly in the health and defense sectors, to contain offset requirements for foreign suppliers, which include domestic manufacturing or co-production requirements and technology transfer.

Although Brazil has required offsets for defense trade since the 1970s, in 2023, the Ministry of Defense published the new Defense Technological, Industrial and Commercial Offset Policy - PComTIC Defesa (Ordinance GM-MD No. 3,990, of August 3, 2023), which imposes further obligations to establish cooperation agreements for all imports of defense products worth more than \$50 million. Law 12,598/2012 for Strategic Defense Companies further provides preferential treatment mechanisms for domestic goods and suppliers in defense procurement.

Brazil is not a Party to the WTO Government Procurement Agreement (GPA), but has been an observer to the WTO Committee on Government Procurement since October 2017. Although Brazil applied for accession to the GPA in May 2020, the Brazilian Government withdrew its offer to accede to the agreement on May 30, 2023, noting that it did not want to impose limits on the government's purchasing power.

INTELLECTUAL PROPERTY PROTECTION

Brazil remained on the Watch List in the [2024 Special 301 Report](#). Despite improvements in recent years, as outlined in that report, enforcement challenges continue, including the absence of deterrent-level penalties and high levels of counterfeiting and piracy online and in physical markets. The Rua 25 de Março area in São Paulo is listed in the [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List) for selling counterfeit and pirated goods. Deterrent-level penalties and increased emphasis on enforcement at the tri-border region between Argentina, Brazil, and Paraguay are critical to make sustained progress on these intellectual property concerns. Patent application pendency of almost seven years (and nine years for pharmaceutical products) has impacted the effective patent term. Also, pharmaceutical stakeholders remain concerned that Brazilian law and regulations do not provide for protection against unfair commercial use of undisclosed test results and other data generated to obtain marketing approval for pharmaceutical products for human use, although such protection is provided for veterinary and agricultural chemical products. The United States urges Brazil to ensure transparency and due process in the protection of geographical indications (GIs) and to ensure that the grant of GI protection

does not deprive interested parties of the ability to use common names, particularly as Brazil proceeds with the European Union–Mercosur Trade Agreement.

SERVICES BARRIERS

Audiovisual Services

Law 12.485 of 2011 imposes screen content quotas on subscription television services by requiring every channel (both satellite and cable) to air at least three and a half hours per week of Brazilian programming during prime time and that one-third of all channels included in any television package be Brazilian. In addition, the law delegates significant programming and advertising regulatory authority to the national film industry development agency, which raises concerns about the impartiality of regulatory decisions.

Brazil also maintains domestic film quotas for theatrical screening and home video distribution.

Express Delivery

The Brazilian Government charges a flat 60 percent duty for all express shipments imported through the Simplified Customs Clearance process. The Simplified Customs Clearance process limits commercial shipments to \$100,000 per importer per year. Moreover, Brazilian Customs has established express delivery maximum per-shipment value limits of \$10,000 for exports and \$3,000 for imports.

Financial Services

Brazil maintains reciprocity requirements for foreign banks and insurers to establish operations in Brazil. Foreign banks may establish subsidiaries, but Brazilian residents must be directly responsible for the administration of the financial institution. Since 1995, entry into the banking sector through the establishment of branches has not been permitted.

Telecommunications Services

Satellites

Brazil permits Brazilian-owned entities to acquire the exclusive right to operate a satellite and its associated frequencies from specific positions. However, foreign-licensed satellite operators may obtain only a nonexclusive right (a landing right) to provide service in Brazilian territory. ANATEL grants these landing rights for a fixed term of no longer than 15 years, after which the operator must reacquire the landing rights to continue providing services. Foreign operators are also required to pay higher annual landing fees than Brazilian firms.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Network Usage Fees

In 2023, ANATEL, opened a public consultation on proposed regulation of “value added services” and digital platforms. The consultation sought input on possible regulations on large content providers that offer services over broadband networks, including remuneration obligations and a “connectivity fund” funded by digital platforms in Brazil. U.S. stakeholders have raised concerns that the direct payments under the proposal could reinforce the dominance of the largest operators, and that fees could raise costs for end-users. ANATEL issued notification of a second consultation that concluded in May 2024.

Personal Data Protection Regulation

Brazil's General Law for the Protection of Personal Data (LGPD) includes provisions concerning restrictions on the transfer of personal data outside of Brazil. The regulations implementing these restrictions were published in August 2024, with a 12-month transition period for companies. Delayed implementation of approved mechanisms for international data transfers (*e.g.*, certifications, codes of conduct, and contractual clauses) has created uncertainty for businesses and obstacles to the routine processing and sharing of data for business purposes. The United States has encouraged Brazil to work closely with companies and organizations affected by the LGPD to resolve implementation and enforcement issues in a reasonable and consistent manner.

BRUNEI DARUSSALAM

TRADE AGREEMENTS

The United States–Brunei Trade and Investment Framework Agreement

The United States and Brunei Darussalam (Brunei) signed a Trade and Investment Framework Agreement (TIFA) on December 16, 2002. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Brunei.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Brunei's average Most-Favored-Nation (MFN) applied tariff rate was 0.5 percent in 2023 (latest data available). Brunei's average MFN applied tariff rate was 0.1 percent for agricultural products and 0.6 percent for non-agricultural products in 2023 (latest data available). Brunei has bound 95.5 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 25.4 percent. Brunei's highest WTO bound tariff rate for non-tobacco products is 50 percent.

Taxes

In May 2023, Brunei expanded its 2017 beverage tax policy to include sweetened or flavored drinks with low sugar content, while excluding some beverages that contain added sugar. Some industry stakeholders advocate for a tiered tax structure that taxes all sugar-sweetened beverage categories equally on a tiered volumetric basis with respect to sugar content to incentivize reformulation to lower-sugar beverages.

TECHNICAL BARRIERS TO TRADE

Halal Import Requirements

Brunei's Halal Certificate and Halal Label Order Amendment, enacted in May 2017, requires all businesses that produce, import, distribute, or serve food and beverages to obtain a halal certificate from the Islamic Religious Council of Brunei (MUIB) and to renew this certificate annually.

Under Brunei's Halal Meat Act, halal meat can be imported only by a person holding a halal import permit issued by the MUIB and an export permit issued by the exporting country. Prior to export, Bruneian Government inspectors must travel to slaughter facilities in the home country of the exporter to inspect the slaughter and processing operations. The Bruneian Government maintains a list of the foreign and local slaughtering centers (abattoirs) that have been inspected and declared fit for supplying meat that can be certified as halal. None of the 40 foreign slaughterhouses currently approved by the MUIB are located in the United States.

OTHER BARRIERS

Residency Requirement

Under the Companies Act, 100 percent foreign-owned companies cannot locally incorporate in Brunei unless at least one of two directors of that locally incorporated company is a resident of Brunei. If a 100 percent foreign-owned company has more than two directors, then at least two must be residents of Brunei. The government may grant an exemption from this requirement, although it has granted none to date.

Transparency

In Brunei, the decision-making process regarding economic policies and regulations is centralized, including with respect to critical sectors like oil and gas, telecommunications, transportation, and energy generation and distribution. Brunei's centralized decision-making lacks public consultation mechanisms. Further, significant portions of these industries are owned by or under substantial control of the government. As a result, there is a lack of transparency with respect to such state-owned enterprises.

CAMBODIA

TRADE AGREEMENTS

The United States–Cambodia Trade and Investment Framework Agreement

The United States and Cambodia signed a Trade and Investment Framework Agreement on July 14, 2006. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Cambodia.

IMPORT POLICIES

Tariffs

Cambodia's average Most-Favored-Nation (MFN) applied tariff rate was 9.4 percent in 2023 (latest data available). Cambodia's average MFN applied tariff rate was 11.9 percent for agricultural products and 9.0 percent for non-agricultural products in 2023 (latest data available). Cambodia has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 19.3 percent.

Cambodia's highest applied tariff rate is 35 percent, which is imposed on several product categories, including a wide variety of prepared food products, bottled and canned beverages, table salt, paints and varnishes, cosmetic and skin care products, glass and glassware, electrical appliances, cars, furniture, and video games.

On June 6, 2023, Cambodia issued Sub-Decree 122 on the Adjustment of Customs Tariffs and Special Tax Rates on Certain Goods, applicable to sectors such as agriculture, transportation, healthcare, industry, and mining. The Sub-Decree went into effect July 1, 2023. Businesses and importers may check the new tariff rates on the Cambodian General Department of Customs and Excise website by using the relevant Harmonized System (HS) code.

The lack of detailed guidance about HS classification of products by customs officials remains a concern for U.S. stakeholders. Some importers claimed that, due to a lack of clear guidance, if a product could fall under multiple HS codes, Cambodian customs and excise officials will typically classify the product as falling within the HS code with a higher tariff rate.

GOVERNMENT PROCUREMENT

Government procurement is often not transparent, and the Cambodian Government frequently provides short response times to public announcements of tenders, which are posted on the Ministry of Economy and Finance's website. For construction projects, only bidders registered with the Ministry are permitted to participate in tenders.

Irregularities in the government procurement process are common, despite a strict legal requirement for audits and inspections. Despite allegations of malfeasance at several ministries, the Cambodian Government has taken little action to investigate irregularities. In May 2023, the new Law on Public Procurement was promulgated to replace the 2012 law, introducing additional provisions to further regulate the management and implementation of all public procurements. U.S. stakeholders have not reported any noticeable changes to government procurement processes.

Cambodia is neither a Party to the WTO Agreement on Government Procurement nor an observer to the WTO Committee on Government Procurement.

INTELLECTUAL PROPERTY PROTECTION

Despite efforts to raise intellectual property (IP) awareness, the sale of counterfeit and pirated goods remains commonplace in Cambodian markets, especially those frequented by tourists. The Central Market in Phnom Penh is included in the 2024 Review of Notorious Markets for Counterfeiting and Piracy (Notorious Markets List). The rates of signal and cable piracy also remain high, and online sites purveying pirated music, films, electronic books, software, and television shows remain popular. In addition, legitimate film sales have been negatively affected as a result of the popularity of illegal cinemas that show pirated material.

Various Cambodian authorities that work on IP-related issues include the Interior Ministry's Anti-Economic Crime Police unit, the General Department of Customs and Excise of Cambodia (GDCE), the Consumer Protection Competition and Fraud Repression Directorate-General, the National Committee for Intellectual Property Rights, the Institute of Standards of Cambodia, the Ministry of Culture and Fine Arts, and the Ministry of Commerce. Some of these institutions have overlapping responsibilities with respect to IP-related issues. The Interior Ministry's Cambodia Counter Counterfeit Committee, which previously cracked down on counterfeit products, transferred that responsibility to the Anti-Economic Crime Police and now focuses on raising awareness only. Draft legislation to address the protection of trade secrets is under review by the Ministry of Commerce but has not been passed.

On September 16, 2024, the GDCE, which is part of the Ministry of Economy and Finance, introduced its online Intellectual Property Recordation System for right holders to record trademarks, copyrights, related rights, and geographical indications, as well as details about potential counterfeit goods. The system also supports the recordation of exclusive distributorships registered with the Ministry of Commerce.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Cambodia passed an electronic commerce law in November 2019, which was fully implemented in May 2020. The law governs the conduct of electronic commerce within Cambodia and from overseas. Cambodia's National Assembly passed a sub-decree in February 2021 to establish a National Internet Gateway that would require all Internet traffic to be routed through a single node regulated by a government-appointed operator. Cambodia's implementation of the National Internet Gateway has been paused, but not officially cancelled. Both the private sector and human rights organizations have expressed concerns over the effect the National Internet Gateway could have on freedom and online commerce in Cambodia.

INVESTMENT BARRIERS

Cambodia's constitution restricts the foreign ownership of land. A 2010 law allows the foreign ownership of property above the ground floor of a structure but stipulates that no more than 70 percent of a building may be foreign-owned and that foreigners may not own property within 30 kilometers of the national border. Foreign investors may only own land if the title is held by at least one Cambodian citizen or an entity with at least 51 percent Cambodian ownership.

Foreign investment in movie production, rice milling, and gemstone mining and processing is subject to local equity participation requirements.

While Cambodia has made significant progress in formalizing its tax regime and increasing tax revenues, some stakeholders question the General Department of Taxation's tax collection methods, including assessing some organizations with unexplained tax bills and freezing assets for failure to pay purported back taxes. Additional concerns range from surprise tax audits to a lack of stakeholder consultation when implementing new tax codes.

OTHER BARRIERS

Transparency

Despite the Cambodian Government's calls for public consultation on new draft regulations in recent years, some businesses have raised concerns with the lack of opportunity for meaningful stakeholder engagement. Some stakeholders have also expressed concerns regarding the short notice and lack of detailed public comment procedures for proposed laws and regulations.

Foods and health-related products are commonly regulated by multi-ministerial regulations called Joint-Prakas and are subject to review and approval by all ministries listed in the Joint-Prakas for aspects ranging from a product's registration to its sale. U.S. businesses have voiced concerns about a lack of clarity on each ministry's authority under the Joint-Prakas.

Bribery and Corruption

Both foreign and local businesses have identified corruption in Cambodia as a major obstacle and a deterrent to investment. Cambodia's judiciary is viewed as one of the country's most corrupt institutions. In 2010, Cambodia adopted anticorruption legislation and established a national Anti-Corruption Unit (ACU) to undertake investigations, implement law enforcement measures, and conduct public outreach. Enforcement, however, remains inconsistent. U.S. businesses have noted that signing an anticorruption memorandum of understanding with the ACU has helped them to avoid paying "facilitation payments." However, businesses have noted that they still encounter red tape in obtaining licenses and permits.

Cambodia published official fees for all public services in 2012 in an effort to combat "facilitation payments;" however, that publication has not been updated, making it difficult to determine current public service fees. Some ministries publish service fees on their official websites, and others do not. On June 22, 2023, Cambodia rolled out the third phase of an online business registration platform, aimed to eliminate the need for cash payments and to reduce overall fees for public services. Despite covering over 20 ministries and state-run institutions, the platform still does not cover all ministries and relevant agencies.

CANADA

TRADE AGREEMENTS

The United States–Mexico–Canada Agreement

The United States–Mexico–Canada Agreement (USMCA) entered into force on July 1, 2020. The USMCA maintains the zero tariffs that were in place among the three countries under the North American Free Trade Agreement and modernized the agreement to include strong, enforceable labor and environmental obligations, ground-breaking provisions to combat non-market practices, and provisions covering small and medium-sized enterprises.

IMPORT POLICIES

Non-Tariff Barriers

Agricultural Supply Management

Canada uses supply-management systems to regulate its dairy, chicken, turkey, and egg industries. Canada's supply-management system involves production quotas, producer-marketing boards to regulate price and supply, and tariff-rate quotas (TRQs) for imports. Canada's supply-management system severely limits the ability of U.S. producers to increase exports to Canada above TRQ levels and increases the prices that Canadians pay for dairy and poultry products. Under the current system, U.S. imports above quota levels are subject to prohibitively high tariffs (*e.g.*, 245 percent for cheese and 298 percent for butter).

The USMCA expands market access opportunities for dairy products through new TRQs exclusively for U.S. products. Canada has also opened new TRQs for U.S. chicken and U.S. eggs and egg products. In addition, Canada expanded market access for U.S. turkey. Canada and the United States also agreed to strong rules to ensure TRQs are administered fairly and transparently to help ensure exporters benefit from the full market access negotiated in the USMCA.

In May 2021, the United States requested and established a dispute settlement panel under the USMCA to review Canada's dairy TRQ allocation measures that undermined the value of the TRQs by setting aside and reserving access to in-quota quantities exclusively for processors. The final panel report was released to the public in January 2022. The panel agreed with the United States that Canada's allocation of dairy TRQs—specifically the set-aside of a percentage of each dairy TRQ exclusively for Canadian processors—is inconsistent with Canada's commitment in Article 3.A.2.11(b) of the USMCA not to “limit access to an allocation to processors.”

Canada made changes to its dairy TRQ allocation measures following the release of the panel report, but the United States rejected those changes as a basis to resolve the dispute. In May 2022, the United States—for the second time—requested dispute settlement consultations with Canada under the USMCA to address Canadian allocation measures that impose new conditions on the allocation and use of the TRQs and prohibit eligible applicants, including retailers, food service operators, and other types of importers, from accessing TRQ allocations. In December 2022, the United States requested new dispute settlement consultations, expanding its challenge of Canada's dairy TRQ allocation measures to include Canada's use of a market-share approach for determining TRQ allocations, which applies different criteria for different segments of applicants, and Canada's failure to allow importers the opportunity to fully utilize TRQ quantities. On January 31, 2023, the United States requested and established a second dispute settlement

panel under the USMCA to address Canada's continued failure to abide by its USMCA commitments with its dairy TRQ allocation measures. The final panel report was released to the public on November 24, 2023. The panel found that Canada's measures are not inconsistent with the USMCA provisions cited by the United States. The panel split on the U.S. claims that Canada's exclusion from eligibility of retailers, food service operators, and other entities, and Canada's historical market share approach to allocate its USMCA dairy TRQs breach Canada's USMCA obligations. A dissenting panelist agreed with the United States that by excluding retailers and others, Canada was breaching its commitment to make its dairy TRQs available to all applicants active in the Canadian food or agriculture sector. The United States remains committed to securing the full benefit of the market access that Canada committed to under the USMCA and full compliance with Canada's USMCA obligations.

The United States also remains concerned about potential Canadian actions that would further limit U.S. exports to the Canadian dairy market and continues to monitor closely any tariff reclassifications of dairy products to ensure that U.S. market access is not negatively affected.

Customs Barriers and Trade Facilitation

On October 21, 2024, the Canadian Border Services Agency (CBSA) officially launched the CBSA Assessment and Revenue Management (CARM) system to assess and collect duties and taxes for commercial goods imported into Canada. The new system requires importers of record to register in the CARM Client Portal and post a financial security with the CBSA. Previously, these steps could be taken by a customs broker on behalf of an importer. Since the launch date, importers attempting to register have reported difficulty accessing the CARM Client Portal. A warning message on the website stated "The CBSA is experiencing intermittent issues with access to its portals, including the CARM Client Portal (CCP), the eManifest and Canadian Export Reporting System (CERS) portals. We are investigating and will take corrective measures to improve access to the portals as soon as possible." As of December 31, 2024, CBSA had made no other alternatives available for paying duties and taxes.

Many U.S. exporters to Canada previously relied on the "Non-Resident Importer" program to obtain "Release Prior to Payment." Release Prior to Payment allows goods to physically clear customs while duties and tax payments were being calculated, in compliance with Canada's World Trade Organization (WTO) Trade Facilitation Agreement commitments. With the launch of CARM, CBSA is offering a 180-day transition period for Release Prior to Payment. After this transition period ends, unless an importer has set up an account in the CARM Client Portal and posted a financial security or cash deposit with CBSA, its goods will be held by customs until payment is made.

Because of the transition period, most goods are able to physically clear customs while issues with access to CARM and financial instruments are resolved. However, some categories of imports, such as temporary entries, may be unable to move across the border until the importer's online accounts are processed. To date, about 100,000 importers have registered in the CARM Client Portal. In recent years, the number of importers of goods into Canada has reached about 160,000 entities.

The U.S. Government will continue to monitor this situation.

Milk Classes

Canada establishes discounted prices for milk components provided to domestic manufacturers of dairy products used in processed food products under the Special Milk Class Permit Program (SMCPP). These prices are "discounted," as they are lower than regular Canadian milk class prices for manufacturers of dairy products and pegged to U.S. prices or world prices. The SMCPP is designed to help Canadian manufacturers of processed food products compete against processed food imported into Canada and in

foreign markets. An agreement reached between Canadian dairy farmers and processors in 2016 introduced a new national milk class (Class 7), with discount pricing for a wide range of Canadian dairy ingredients used in dairy products, to decrease imports of U.S. milk protein substances into Canada and increase Canadian exports of skim milk powder into third country markets. Provincial milk marketing boards (agencies of Canada's provincial governments) began implementing Class 7 in 2017.

Under the USMCA, Canada was obligated to eliminate Class 7 within six months of entry into force. However, U.S. stakeholders have reported continued concerns with Canada's milk class pricing and dairy exports. In addition, Canada is obligated to ensure that the price for nonfat solids used to manufacture skim milk powder, milk protein concentrates, and infant formula will be no lower than a level based on the U.S. Department of Agriculture price for nonfat dry milk. Transparency provisions obligate Canada to provide information necessary to monitor compliance with these commitments. Canada is obligated to apply charges to exports of skim milk powder, milk protein concentrates, and infant formula in excess of thresholds specified in the USMCA.

Ministerial Exemptions

Canada prohibits bulk imports of fresh fruits and vegetables in packages exceeding certain sizes (typically 50 kilograms) unless Canada grants a ministerial exemption. To obtain an exemption, importers must demonstrate that the supply of a product in the domestic market is insufficient. The import restrictions apply to all fresh produce in bulk containers if grade names are established in the respective regulations. There are no restrictions on bulk imports of horticultural products without prescribed grade names. In addition, Canadian regulations on fresh fruit and vegetable imports prohibit consignment sales of fresh fruit and vegetables in the absence of a prearranged buyer.

The 2007 Technical Arrangement Concerning Trade in Potatoes between the United States and Canada is designed to provide U.S. potato producers with predictable access to Canadian ministerial exemptions. The United States will continue to engage with U.S. potato growers on any concerns that Canada's procedures for granting ministerial exemptions are not providing access to Canada's market as agreed.

Wine, Beer, and Spirits

Most Canadian provinces have province-run liquor control boards, which are the sole authorized sellers of wine, beer, and spirits in those provinces. Market access barriers imposed by Canadian provincial liquor control boards greatly hamper exports of U.S. wine, beer, and spirits to Canada. These barriers include cost-of-service mark-ups, restrictions on listings (products that the liquor board will carry), reference prices (either the maximum prices the liquor board is willing to pay or the prices below which imported products may not be sold), label requirements, discounting policies (requirements that suppliers must offer rebates or reduce their prices to meet sales targets), and distribution policies.

Energy

According to stakeholders, the Alberta Electric System Operator (AESO) has provided separate and unequal points of access to the Alberta energy market for Montana energy producers. For example, during times of surplus or transmission congestion, AESO favors electricity generated within Alberta over equally priced U.S. power flowing across the border. The AESO has also proposed additional fees and other restrictions on imported energy. The United States will continue to monitor this issue.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Compositional Standards for Cheese

Canada's regulations on compositional standards for cheese limit the amount of dry milk protein products that can be used in cheese making, reducing the demand for U.S. dry milk protein products. The United States continues to monitor these regulations for any changes that could have a further adverse impact on U.S. dairy product exports.

Zero Plastic Waste Agenda

In 2018, Canada announced a comprehensive agenda to achieve zero plastic waste by 2030. As part of this agenda, Canada is developing a range of measures to prevent plastic pollution and improve circularity within the Canadian market, including extended producer responsibility, minimum recycled content, compostability and recyclability labeling, and restrictions on the use of single use plastics. The United States supports Canada's objective of reducing plastic pollution; however, U.S. industry has raised concerns that some aspects of Canada's program would create negative impacts for trade and the environment. U.S. industry is concerned that without viable alternatives for plastic packaging, Canada's proposed reductions in food packaging and packaging compostability requirements could compromise food safety, increase food loss and waste, and restrict U.S. agricultural exports. The United States continues to work closely with Canada to encourage the use of science-based approaches to address plastic pollution, including consideration of technological limitations and environmentally sustainable alternatives to plastics.

Quebec's Bill 96

Bill 96 became law in the province of Quebec on June 1, 2022 and is intended to strengthen the use of the French language in the province. U.S. businesses have expressed concerns about the impact that Bill 96 will have on their federally registered trademarks for products manufactured after June 1, 2025, which is when the relevant provisions of Bill 96 enter into force. These businesses will need to review their non-French language trademarks on the products' packaging and labelling and translate into French any part of their trademark that contains a "generic term" or a "description of the product." In June 2024, the United States engaged with Canada on Quebec's Bill 96 at the WTO Committee on Technical Barriers to Trade meeting. The United States encouraged the Quebec provincial government to take into consideration business sector concerns and involve businesses in the drafting of further interpretive guidance on this law and the Final Regulation.

Sanitary and Phytosanitary Barriers

Restrictions on U.S. Seeds Exports

For many major field crops, Canada's Seeds Act generally prohibits the sale or advertising for sale in Canada—or import into Canada—of any variety of seed that is not registered with Canada's Food Inspection Agency (CFIA). Canada's variety registration gives the CFIA an oversight role in maintaining and improving quality standards for grains in Canada. The registration is designed to facilitate and support seed certification and the international trade of seed; verify claims made, which contributes to a fair and accurate representation of varieties in the marketplace; and facilitate varietal identity, trait identity, and traceability in the marketplace to ensure standards are met. The United States is concerned, however, that

the variety registration system is slow and cumbersome and disadvantages U.S. seed and grain exports to Canada. Under the Canada Grain Act, only grain of varieties produced from seed of varieties registered under the Seeds Act may receive a grade higher than the lowest grade allowable in each class. The USMCA includes a commitment to discuss issues related to seed regulatory systems. In January 2021, the CFIA began seed regulatory modernization efforts. The United States will continue to discuss with Canada steps to modernize and streamline Canada's variety registration system.

INTELLECTUAL PROPERTY PROTECTION

Canada remained on the Watch List in the 2024 Special 301 Report. Canada's commitments under the USMCA are designed to significantly improve Canada's intellectual property (IP) environment, addressing areas of longstanding concern, including enforcement against counterfeit goods and online piracy, inspection of goods in-transit, transparency with respect to new geographical indications (GIs), and the broad interpretation of the fair dealing exception for the purpose of education. With respect to GIs, the United States remains highly concerned about countries' negotiating product-specific IP outcomes as a condition of market access from the European Union and reiterates the importance of each individual IP right being independently evaluated on its individual merits. Poor enforcement with respect to counterfeit or pirated goods at the border and within Canada remains a concern. The Pacific Mall in Toronto is listed in the 2024 Review of Notorious Markets for Counterfeiting and Piracy (Notorious Markets List) for selling pirated and counterfeit goods.

SERVICES BARRIERS

Audiovisual Services

For cable television and direct-to-home broadcast services, more than 50 percent of the channels received by subscribers must be Canadian channels. Non-Canadian channels must be preapproved ("listed") by the Canadian Radio-television and Telecommunications Commission (CRTC). Alternatively, non-Canadian channels can become Canadian by ceding majority equity control to a Canadian partner, as some U.S. channels have done. Foreign channels are prohibited from owning video distribution infrastructure in Canada.

Canada permits Canadian cable and satellite suppliers to pick up the signals of U.S. stations near the border and redistribute them throughout Canada without U.S. broadcasters' consent. Content owners can apply for compensation for the use of such content in Canada from a statutorily mandated fund into which Canadian cable and satellite suppliers pay. U.S. broadcasters consider this compensation to be insufficient and have sought the right to negotiate the carriage of their signals on commercially set rates and terms, as can be done in the United States.

Online Streaming

The Canadian Government passed the Online Streaming Act on April 27, 2023, amending the Broadcasting Act to give the CRTC authority to impose conditions on the operation of online streaming platforms. The Canadian Government instructed the CRTC to create a methodology for financial contributions and obligations on streaming platforms to support and promote Canadian programming, and to prioritize a review of how it defines Canadian programs given the foundational nature of these definitions to the regulatory framework. On June 4, 2024, before beginning a review of the definitions, the CRTC announced that streaming services would be required to contribute five percent of their Canadian revenues to support the Canadian broadcasting system, beginning in the broadcast year 2024 to 2025. The rules include criteria that, based on available information, may effectively exclude Canadian streaming services from the new

obligations, and under current definitions, would prevent U.S. suppliers from accessing the funding mechanisms that they will pay into. The United States will closely monitor the implementation of the Act and any USCMA implications.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Digital Services Taxation

On June 20, 2024, Canada enacted a digital services tax (DST), imposing a three percent levy on certain gross revenues relating to online marketplaces, online targeted advertising, social media platforms, and user data. The DST entered into force on June 28, 2024. Canada's DST is retroactive to January 1, 2022, and companies are required to remit payments starting on June 30, 2025. The DST applies to taxpayers with annual global revenues of €750 million (approximately \$833 million) and Canadian digital services revenue of CA\$20 million (approximately \$14.3 million).

As the United States noted in comments to Canada in 2021 and 2023, most DSTs have been designed in ways that discriminate against U.S. companies, as they single out U.S. firms for taxation while effectively excluding national firms engaged in similar lines of business. Furthermore, Canada's DST creates significant retroactive tax liabilities with immediate consequences for U.S. companies. Though Canada had joined the October 8, 2021, OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting [Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy](#), which called for all Parties to commit not to introduce DSTs in the future, Canada subsequently declined to join the July 2023 Inclusive Framework "Outcome Statement" that extended that commitment. Through bilateral and multilateral engagement, the United States continued to raise serious concerns regarding Canada's DST and to encourage Canada to withdraw or repeal the DST. On August 30, 2024, USTR announced that the United States requested dispute settlement consultations with Canada under the USMCA regarding Canada's DST.

On January 20, 2025, the United States issued a White House Memorandum titled, "The Organization for Economic Co-Operation and Development (OECD) Global Tax Deal (Global Tax Deal)." The memorandum stated:

The Secretary of the Treasury and the Permanent Representative of the United States to the OECD shall notify the OECD that any commitments made by the prior administration on behalf of the United States with respect to the Global Tax Deal have no force or effect within the United States absent an act by the Congress adopting the relevant provisions of the Global Tax Deal.

On January 22, 2025, appropriate representatives of the Treasury Department provided notice to the Director of the Centre of Tax Policy and Administration at the OECD. On January 24, 2025, the U.S. Permanent Delegation to the OECD provided similar notice to the Secretary General of the OECD.

Mandatory Bargaining Code

On June 22, 2023, the Canadian Government passed the Online News Act (Bill C-18). Under the Act, designated platform services companies are required to engage in negotiations with Canadian news providers to pay the news businesses for content accessed via certain services offered on the companies' digital platforms. The Act gives the CRTC new powers to regulate the Canadian news industry, including determining who is a journalist, what is an eligible news business, and calculating compensation. The United States continues to monitor this issue.

CHILE

TRADE AGREEMENTS

The United States–Chile Free Trade Agreement

The United States–Chile Free Trade Agreement (FTA) entered into force on January 1, 2004. Under this Agreement, as of January 1, 2015, Chile provides duty-free access to all U.S. exports. The United States continues to have significant concerns with Chile’s failure to implement fully some FTA commitments on protection and enforcement of intellectual property (IP) rights. The United States and Chile meet regularly to review the implementation and functioning of the Agreement and to address outstanding issues.

IMPORT POLICIES

Non-Tariff Barriers

Certain Cheese and Meat Products

On December 13, 2023, Chile and the European Union signed an Advanced Framework Agreement that includes recognition of a number of terms as geographical indications (GIs), which has raised transparency and due process concerns and could undermine market access for U.S. cheese and meat products that rely on common names. Through extensive negotiations, the United States reached an agreement with Chile to provide protections for U.S. producers that export to and sell products in Chile using certain cheese and meat terms. On September 3, 2024, the National Congress of Chile approved the agreement on Chile Market Access and Prior Users for Cheese and Meats, securing ongoing access for U.S. producers. The agreement entered into force on December 29, 2024.

INTELLECTUAL PROPERTY PROTECTION

Chile remained on the Priority Watch List in the [2024 Special 301 Report](#). The United States remains concerned about the adequacy and effectiveness of the protection and enforcement of IP rights in Chile and about the implementation of certain IP obligations under the FTA. Longstanding concerns remain about protections against the unlawful circumvention of technological protection measures, failure to ratify the 1991 Act of the International Convention for the Protection of New Varieties of Plants (UPOV 1991), and an ineffective internet service provider liability regime that has failed to promote effective and expeditious action against online piracy. The United States also continues to urge Chile to address certain aspects of its FTA commitments on satellite piracy. In addition, pharmaceutical stakeholders continue to raise concerns over the efficacy of Chile’s system for resolving patent issues expeditiously in connection with applications to market pharmaceutical products and over the provision of adequate protection against unfair commercial use, as well as unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products. The United States also continues to encourage Chile to provide transparency and due process to all interested parties in connection with potential recognition or protection of geographical indications, including in connection with trade agreement negotiations.

SERVICES BARRIERS

On January 29, 2025, Chile’s congress passed legislation to reform its existing private sector–based pension system, clearing the way for the bill to be signed by President Gabriel Boric. U.S. industry remains concerned about a number of the provisions in the legislation, including provisions that would mandate

auctions of the existing clients of the private pension system. The United States continues to encourage Chile to consult with all relevant stakeholders as it implements the pension system reform and to ensure that any changes are consistent with Chile's trade commitments.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Chile published its Data Protection Law (DPL) in December 2024. The law requires countries to which data will be transferred to demonstrate "adequate" levels of data protection comparable to privacy standards in Chile. In the absence of a determination on a country's data protection standards, companies are required to use approved contractual clauses to transfer data. U.S. stakeholders have expressed concerns that the guidelines for using contractual clauses are unclear and the lack of clear definitions for key concepts is creating uncertainty for companies. The United States continues to engage with Chile, including through participating in multilateral data privacy certification arrangements, which provide a mechanism for companies to facilitate international transfers of personal data in compliance with the laws of participating jurisdictions.

CHINA

TRADE AGREEMENTS

In January 2020, the United States and China signed the Economic and Trade Agreement Between the Government of the United States of America and the Government of the People's Republic of China, commonly referred to as the Phase One Agreement. This agreement included commitments by China to improve market access for the United States in the agriculture and financial services sectors, refrain from problematic policies and practices related to intellectual property (IP) and technology transfer, and increase its purchases of certain U.S. goods and services.

While China followed through in implementing some provisions of the Phase One Agreement, it has not yet implemented some of the more important commitments. With regard to agriculture trade, for example, the Phase One Agreement addresses many non-tariff barriers and has expanded market access for a variety of U.S. food, agriculture, and seafood product exports. In particular, China implemented significant reforms in some agricultural sub-sectors, such as meat and poultry products, and in facility registration. However, China has not yet implemented some of its more significant agriculture commitments, such as commitments on agricultural biotechnology and the commitment to conduct a risk assessment relating to the use of ractopamine in cattle and swine. At present, serious ongoing concerns with China's implementation efforts also persist in other areas covered by the agreement, including intellectual property and technology transfer. In addition, official trade data appears to show that China fell far short of implementing its commitments to purchase U.S. goods and services, which covered the years 2020 and 2021.

STATE-LED, NON-MARKET TRADE REGIME

Industrial Plans

China continues to pursue an extensive number of industrial plans and supporting policies and practices that target industries for domination by Chinese companies, both in China and globally. Pursuant to these industrial plans, the Chinese Government offers substantial government guidance, resources and regulatory support to Chinese companies while actively seeking to limit access to the China market for imported goods, foreign manufacturers, and foreign services suppliers. The beneficiaries of these non-market policies and practices, which are constantly evolving, include not only China's state-owned enterprises but also other Chinese companies.

One of the more far-reaching and harmful industrial plans is Made in China 2025. China's State Council released this industrial plan in May 2015. It is a 10-year plan targeting 10 strategic sectors, which include advanced information technology, automated machine tools and robotics, aviation and aerospace equipment, maritime engineering equipment and high-technology ships, advanced rail transit equipment, new energy vehicles (NEVs), power equipment, agricultural machinery, new materials, biopharmaceuticals, and advanced medical device products. While purportedly intended simply to raise industrial productivity through more advanced and flexible manufacturing techniques, Made in China 2025 is emblematic of China's evolving and increasingly sophisticated approach to "indigenous innovation," which is evident in numerous supporting and related industrial plans. Under China's unfair and anticompetitive approach to indigenous innovation, the overarching objective is to replace foreign technologies, products, and services with Chinese technologies, products, and services in the China market through any means possible so as to enable Chinese companies first to dominate the China market and then to use that dominance as a springboard to dominate global markets.

Made in China 2025, which covers the first 10 years of a 30-year strategy known as the Strong Manufacturing Nation Strategy, seeks to build up Chinese companies in the 10 targeted sectors at the expense of, and to the detriment of, foreign companies and their technologies, products, and services through a multi-step process from 2015 to 2025. The first objective of Made in China 2025 is to ensure, through various means, that Chinese companies develop their own “indigenous” technologies, IP, and know-how, either through their own efforts or by extracting or acquiring technologies, IP, and know-how from foreign enterprises. The next objective of Made in China 2025 is to substitute domestic technologies, products, and services for foreign technologies, products, and services in the China market. The final objective of Made in China 2025 is to capture much larger worldwide market shares in the 10 targeted sectors.

In pursuit of these objectives, subsequently released documents set specific targets for capacity and production levels and market share for the dozens of industries that comprise the 10 broad sectors targeted in Made in China 2025. In October 2015, China’s National Manufacturing Strategic Advisory Committee published the Made in China 2025 Key Area Technology Roadmap, and since then it has published three updated editions of this document. The first update, titled the Made in China 2025 Key Area Technology and Innovation Greenbook – Technology Roadmap (2017), was similar to its predecessor in that it set explicit market share and other targets to be attained by Chinese companies in dozens of high-technology industries, often both in the China market and globally. For example, it calls for “indigenous new energy vehicle annual production” to have a “supplying capacity that can satisfy more than 80 percent of the market” in China by 2020, up from a 70 percent target set in the 2015 document. The two subsequent updates of the Made in China 2025 Key Area Technology and Innovation Greenbook – Technology Roadmap are dated 2019 and 2023.

Many of the policy tools being used by the Chinese Government to achieve the industrial targeting objectives of Made in China 2025 raise serious concerns. Several of these tools are unprecedented and include numerous types of state intervention and support that work in concert and are designed to promote the development of Chinese industry in large part by restricting, taking advantage of, discriminating against, or otherwise creating disadvantages for foreign enterprises and their technologies, products, and services. Indeed, even facially neutral measures can be applied in favor of domestic enterprises, as U.S. and other foreign enterprises have experienced, especially at sub-central levels of government.

Made in China 2025 also differs from industry support pursued by other World Trade Organization (WTO) Members in its level of ambition and, more importantly, in the scale and type of resources that the Chinese Government has been investing in the pursuit of its industrial plan goals. Indeed, by some estimates, the Chinese Government is making available more than \$500 billion of financial support to the Made in China 2025 sectors, often using, among many other vehicles, large “government guidance funds,” which China attempts to shield from scrutiny by claiming that they are run by wholly private entities. Even if China fails to fully achieve all of the objectives set forth in Made in China 2025, it is still likely to create or exacerbate market distortions and critical vulnerabilities, create severe and persistent excess capacity in many of the targeted sectors, and distort investment decisions by foreign companies. It is also likely to do long-lasting damage to U.S. interests, as well as the interests of the United States’ allies and partners, as China-backed companies increase their market share at the expense of foreign companies operating in these sectors. Developing countries, at least some of which have themselves experienced deindustrialization, are especially at risk of severe harm from industrial plans like Made in China 2025.

While public references in China to Made in China 2025 subsided after June 2018 reportedly in response to an order from the central government, it is clear that China remains committed to achieving the underlying goals of Made in China 2025 and continues to seek dominance for Chinese firms in the sectors that it views as strategic, both in the China market and in global markets. For example, in September 2020,

the central government issued a guiding opinion encouraging investment in “strategic emerging industries,” a term used to describe an earlier initiative from which Made in China 2025 evolved. Among other things, the guiding opinion called for the support and creation of industrial clusters for strategic emerging industries, along with the use of various types of government support and funding. The guiding opinion, which is essentially mandatory in China’s system, specifically encouraged provincial and local governments to support industries such as advanced information technology, NEVs, and biopharmaceuticals. The October 2022 Report to the 20th Party Congress also underscored the continuing importance of China’s industrial policy objectives, calling for efforts to promote the development of strategic emerging industries and to “cultivate new growth engines such as next-generation information technology, artificial intelligence, biotechnology, new energy, new materials, high-end equipment, and green industry.”

In March 2021, the National People’s Congress approved the 14th Five-Year Plan (2021-2025) for National Economic and Social Development (the 14th Five-Year Plan), together with the Long-Range Objectives Through Year 2035. The 14th Five-Year Plan and the sector-specific five-year plans subsequently issued by the central government, along with five-year plans issued by sub-central governments, make clear that China will continue to pursue its various industrial domination objectives. While the 14th Five-Year Plan does not explicitly reference Made in China 2025, it nevertheless continues to focus on the sectors identified in Made in China 2025. More recent industrial plans, including those issued by provincial and municipal governments in China, also make clear that China, at various levels of government, is continuing to support these sectors.

In addition, longer-ranging industrial plans, such as the New Energy Vehicle Industry Development Plan (2021-2035) and China Standards 2035, reaffirm China’s strong commitment to a state-led, non-market approach to the economy and trade and the pursuit of industrial dominance. Other longer-ranging industrial plans, such as the National Medium to Long-Term Science and Development Plan (2021-2035), the successor to the National Medium to Long-Term Science and Development Plan (2006-2020), are reported to exist but have not been publicly released.

In September 2023, China introduced the concept of “new quality productive forces,” which now appears in many official publications and statements. This concept echoes many of China’s existing industrial plans, as it calls for increasing economic productivity through the strengthening of science and technology innovation in order to support “industrial upgrading,” “emerging industries,” and “future industries.” The specific sectors targeted by this concept include many of the same sectors prioritized in Made in China 2025 and other industrial plans related to Made in China 2025, strategic emerging industries, including NEVs, high-end equipment, and high-technology ships.

Technology Transfer

For years, longstanding and serious U.S. concerns regarding forced or pressured technology transfer remained unresolved, despite repeated, high-level bilateral commitments by China to remove or no longer pursue problematic policies and practices. In August 2017, the Office of the United States Trade Representative (USTR) sought to address these concerns by initiating an investigation under Section 301 focused on policies and practices of the Government of China related to technology transfer, IP, and innovation. Specifically, in its initiation notice, USTR identified four categories of reported Chinese Government conduct that would be the subject of its inquiry: (1) the use of a variety of tools to require or pressure the transfer of technologies and IP to Chinese companies; (2) depriving U.S. companies of the ability to set market-based terms in technology licensing negotiations with Chinese companies; (3) intervention in markets by directing or unfairly facilitating the acquisition of U.S. companies and assets by Chinese companies to obtain cutting-edge technologies and IP; and (4) conducting or supporting cyber-enabled theft and unauthorized intrusions into U.S. commercial computer networks for commercial gains.

In March 2018, USTR issued a report supporting findings that the four categories of acts, policies, and practices covered in the investigation are unreasonable or discriminatory and burden and/or restrict U.S. commerce. In November 2018, USTR issued an updated report that found that China had not taken any steps to change its problematic policies and practices. Based on the findings in USTR's Section 301 investigation, the United States took a range of responsive actions, including the pursuit of a successful WTO dispute challenging certain discriminatory technology licensing measures maintained by China in addition to the imposition of substantial additional tariffs on Chinese imports.

The Phase One Agreement, signed in January 2020, addresses certain aspects of the unfair trade practices of China that were identified in USTR's Section 301 report. In the agreement, among other things, China committed to end its longstanding practice of forcing or pressuring foreign companies to transfer their technology to Chinese companies as a condition for obtaining market access, securing administrative approvals, or receiving advantages from the Chinese Government. China also committed to provide transparency, fairness, and due process in administrative proceedings and to ensure that technology transfer and licensing take place on market terms that are voluntary and reflect mutual agreement. Separately, China committed to refrain from directing or supporting outbound investments aimed at acquiring foreign technology pursuant to its distortive industrial plans.

Since the entry into force of the Phase One Agreement in February 2020, the United States has continually engaged with the U.S. business community, which has expressed concern about China's actions, including those that are informal and unwritten, that force or pressure U.S. companies to transfer their technology to Chinese entities, including as a condition for obtaining market access. The United States has engaged China as issues arise and will continue to monitor developments closely.

In May 2022, USTR commenced the statutorily mandated four-year review of the tariffs that had been imposed on Chinese imports as a result of the Section 301 investigation into China's unfair acts, policies, and practices related to technology transfer, IP, and innovation. As part of this review, USTR examined the effectiveness of the tariff actions in achieving the objectives of the original investigation, other actions that could be taken and the effects of those actions on the United States economy, including consumers. In May 2024, USTR issued a report that found that while the Section 301 tariff actions have been effective in certain respects, China's unfair acts, policies, and practices had continued and, in some cases, had worsened. Pursuant to the President's direction, USTR also proposed, and sought comments on, modifications to the existing Section 301 tariffs. In September 2024, in accordance with the President's direction and after reviewing the public comments, USTR announced the final modifications to the actions, which maintained the current tariffs while increasing tariffs on Chinese products in targeted strategic sectors. In December 2024, USTR announced further modifications, which increased some of the tariffs.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

China's average Most-Favored-Nation (MFN) applied tariff rate was 7.5 percent in 2023 (latest data available). China's average MFN applied tariff rate was 14 percent for agricultural products and 6.4 percent for non-agricultural products in 2023 (latest data available). China has bound 100 percent of its tariff lines in the WTO, with a simple average WTO bound tariff rate of 10.0 percent.

In April 2018, China imposed tariffs ranging from 15 percent to 25 percent on a range of agricultural, steel, and aluminum products imported from the United States in retaliation against the U.S. decision to adjust

U.S. imports of steel and aluminum articles under Section 232 of the Trade Expansion Act of 1962, as amended. The U.S. decision was based on a determination that the quantity and circumstances of U.S. imports of steel and aluminum products—including the circumstances of severe excess capacity and resulting overproduction emanating from China—threaten to impair U.S. national security. In July 2018, the United States launched a dispute settlement proceeding against China in the WTO pertaining to China’s retaliatory tariffs. In August 2023, a WTO panel issued its report, ruling that those retaliatory tariffs were WTO-inconsistent. China appealed the panel’s ruling in September 2023. The United States will continue to take all necessary action to protect U.S. interests in the face of this type of retaliation.

In 2018 and 2019, China imposed a series of retaliatory tariffs on U.S. products following U.S. actions under Section 301 addressing unfair Chinese acts, policies, and practices relating to technology transfer, IP, and innovation. These tariffs remain in place.

Tariff-Rate Quota Administration for Agricultural Commodities

Market access promised through the tariff-rate quota (TRQ) system set up pursuant to China’s WTO accession agreement has yet to be fully realized as of December 31, 2024. Due to China’s poorly defined criteria for applicants, unclear procedures for distributing TRQ allocations, and failure to announce quota allocation and reallocation results, traders are unsure of available import opportunities and producers worldwide face reduced market access opportunities. As a result, for many years, China’s TRQs for wheat, corn, and rice would seldom fill even when they were oversubscribed. Since 2020, China’s corn and wheat imports have exceeded TRQ levels, but the TRQ issuance, application, and allocation processes still lack transparency, and large state-owned enterprises in China appear to have been the primary beneficiaries of the increased imports.

In December 2016, the United States launched a WTO dispute challenging China’s administration of TRQs for wheat, corn, and rice. Consultations took place in February 2017. A WTO panel was established to hear the case at the United States’ request in September 2017, and 17 other WTO Members joined as third parties. The panel issued its report in April 2019, ruling that China’s administration of tariff-rate quotas for wheat, corn, and rice was WTO-inconsistent. In July 2021, the United States submitted a request for authorization to suspend concessions and other obligations pursuant to Article 22 of the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) on the ground that China had failed to bring its measures into compliance with its WTO obligations. After China objected to this request, the matter was referred to arbitration in accordance with Article 22 of the DSU. The arbitration is currently suspended, and the United States continues to closely monitor China’s ongoing administration of the tariff-rate quotas for wheat, corn, and rice.

As part of the Phase One Agreement, China agreed that, from December 31, 2019, its administration of TRQs for wheat, corn, and rice would conform to its WTO obligations. In addition, China agreed to make specific improvements to its administration of the wheat, corn, and rice TRQs, including with regard to the allocation methodology, and to the treatment of non-state trading quota applicants. China also committed to greater transparency. As of December 31, 2024, however, China had not demonstrated full implementation of these commitments.

Taxes

The Chinese Government has attempted to manage imports of primary agricultural commodities by raising or lowering the value-added tax (VAT) rebate to manage domestic supplies. China sometimes reinforces its domestic objectives by imposing or retracting VATs. These practices have caused tremendous distortion and uncertainty in the global markets for wheat, corn, and soybeans, as well as intermediate processed products of these commodities.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Food Safety

China's ongoing implementation of its 2015 Food Safety Law has led to the introduction of myriad new measures, including exporter facility and product registration requirements for almost all food and agricultural products. Overall, China's notification of these measures to the WTO Committee on Technical Barriers to Trade (TBT Committee) and the WTO Committee on Sanitary and Phytosanitary Measures (SPS Committee) has been uneven.

In November 2019, China's regulatory authorities issued draft measures for public comment that would require the registration of all foreign food manufacturers. The United States submitted comprehensive written comments on the draft measures to China's regulatory authorities. The United States also raised concerns about them before the WTO TBT Committee and the WTO SPS Committee. More than 15 WTO Members supported the concerns raised by the United States.

In April 2021, China's regulatory authorities issued final versions of these measures, now known as Decrees 248 and 249, with an implementation date of January 1, 2022. In correspondence delivered to foreign missions in Beijing in September 2021, China's regulatory authorities laid out a non-transparent, multi-tier system where producers of certain products are required to be registered by foreign regulatory authorities, while producers of other products are eligible to self-register. Decrees 248 and 249 also establish new labeling and conformity assessment requirements. In July 2023, China implemented additional registration requirements for certain products under Decree 248, expanding the burden on foreign food safety regulators. Moreover, the tasks being required of foreign food safety regulators are fundamentally beyond the traditional roles and authority of food safety regulators. These various additional requirements continue to disrupt trade.

Decree 248 and similar prior measures continue to place excessive strain on food producers, traders, and exporting countries' regulatory authorities, with no apparent added benefit to food safety. They instead provide China with a tool to control food imports in accordance with the dictates of China's state planners, and to retaliate against food producers from countries whose governments challenge Chinese Government policies or practices in non-trade areas.

In the Phase One Agreement, China committed that it would not implement food safety regulations that are not science- or risk-based and that it would only apply food safety regulations to the extent necessary to protect human life or health. China also agreed to certain procedures for registering U.S. facilities that produce various food products. Despite repeated U.S. requests for clarification regarding the relationship between the facility registration procedures set forth in the Phase One Agreement and the requirements of Decree 248, China has not provided sufficient information.

Technical Barriers to Trade

Standards

The Chinese Government continues to pursue changes to its standards system, including by moving from a government-led system to one that incorporates both government guidance and stakeholder input. At times, Chinese Government officials have also indicated that they provide equal treatment to foreign companies in connection with China's standardization work. However, in practice, the Chinese Government continues

to limit foreign participation in standards setting and, at times, still pursues unique national standards in order to protect its domestic industry.

In January 2018, China's revised Standardization Law entered into force. Since then, China has issued numerous implementing measures, some of which contain positive references to the ability of foreign-invested enterprises to participate in China's standardization activities and purport to recognize the value of international standards. Unfortunately, many of these implementing measures cause concern for U.S. industry as they appear to focus on the development of Chinese standards without sufficient consideration being given to existing international standards. In addition, they do not explicitly provide that foreign stakeholders may participate on equal terms with domestic competitors throughout the standardization process.

China has sought to increase the use of "association standards" ostensibly to give industry greater participation in standards-making. But the development of association standards is opaque and foreign participation is frequently restricted, depending on the association. In 2023, China issued the *Interim Measures on the Adoption of Association Standards as Recommended National Standards* to allow for the adoption of such standards in China's national standards system, which further complicates the ability of foreign companies to participate in Chinese standards development. In May 2024, China published the draft *Administrative Measures for the Adoption of International Standards*. Given that this draft measure could impact the implementation and administration of China's obligations under the WTO TBT Agreement, the United States has requested that China notify it to the TBT Committee.

As these implementing measures have been issued, China's existing technical committees have continued to develop standards. U.S. and other foreign companies have reported that they are often not permitted to participate in these domestic technical committees, and even in technical committees where participation has been possible for some foreign stakeholders, it has typically been on terms less favorable than those applicable to their domestic competitors. For example, the technical committee for cybersecurity standards (known as TC-260) allows foreign companies to participate in standards development and setting, with several U.S. and other foreign companies being allowed to participate in some of the TC-260 working groups. However, foreign companies report that they are sometimes excluded from serving on technical committees, and submitting comments on draft standards on the basis that their companies are headquartered outside of China. They also report challenges to participating in key aspects of the standardization process, such as drafting. In addition, they remain prohibited from participating in certain TC-260 working groups, such as the working group on encryption standards.

Over the years, U.S. stakeholders have also reported that, in some cases, Chinese Government officials have pressured foreign companies seeking to participate in China's domestic standards-setting processes to license their technology or IP on unfavorable terms. In addition, China has continued to pursue unique national standards in a number of high technology areas. The United States continues to press China to address these specific concerns, but this bilateral engagement has yielded minimal progress.

Notably, U.S. concerns about China's standards regime are not limited to the implications for U.S. companies' access to China's market. China's ongoing efforts to develop unique national standards aim ultimately to serve the interests of Chinese companies seeking to compete globally, as the Chinese Government's vision is to use the power of its large domestic market to influence the development of international standards. This strategy can be seen in reports of China offering incentives to companies and individuals for standards proposals in international standards-setting bodies. While the quality of these proposals varies in terms of technical merit, China continues to introduce new standards in the international standards arena, notably in the ICT space, and industry has reported that some of the proposed standards do not have practical need or use.

In October 2021, the Central Committee of the Chinese Communist Party (CCP) and the State Council issued the Outline for the Development of National Standardization, which set targets for China's standardization system. It reiterates the desire for China's standardization system to be both guided by the government and driven by the market. It also calls for China's standardization system to refocus from quantity to quality and to shift from a domestic focus to an equal domestic and international focus.

The October 2021 Outline for the Development of National Standardization is partly based on an initiative that China announced in 2019, known as China Standards 2035. A lack of transparency with regard to the initiative's objectives is troubling, particularly given longstanding global concerns about discriminatory limitations of foreign participation in China's standards-setting processes, China's use of unique national standards without basis, and certain licensing practices in China's standards-setting processes. The United States remains very concerned about China's policies with regard to standards and has expressed concerns to China bilaterally and multilaterally as China continues to develop and issue implementing measures for its revised Standardization Law.

Cosmetics

Over the past several years, the United States and U.S. industry have engaged with China's Food and Drug Administration (CFDA) and its successor, the National Medical Products Administration (NMPA), to highlight serious concerns with China's regulation of cosmetics. Currently, the regulation of cosmetics in China is governed by the Cosmetics Supervision and Administration Regulation (CSAR), which was issued in June 2020 and entered into effect in January 2021. The United States has repeatedly raised serious concerns with the CSAR and its numerous implementing measures, both bilaterally and in meetings of the WTO TBT Committee and the WTO Council for Trade in Goods, as have several other WTO Members.

The CSAR implementing measures contain provisions that would require companies to disclose full product formulations, ingredient suppliers, manufacturing methods, claims, and safety data to both NMPA and local agents in China when products are registered or notified. In addition, these measures require companies to publish claims abstracts that may contain trade secrets and confidential business information on NMPA's website. The United States has expressed concern to China that its regulators are applying an approach that treats cosmetics as having much higher safety risks than is warranted. China's filing and registration requirements for cosmetics also significantly diverge from those in other major markets without adequate justification, making compliance very burdensome for exporters.

The United States is particularly concerned that the CSAR implementing measures do not provide adequate assurances as to how undisclosed information, trade secrets and confidential business information will be protected from unauthorized disclosure. China also has not addressed requests from the United States and cosmetics right holders that NMPA provide a legally enforceable mechanism to monitor and protect the trade secrets and confidential business information typically identified by companies in their cosmetics filings.

In addition, China continues to require duplicative in-country testing to assess many product and ingredient safety and performance claims, without considering the applicability of international data or other means of establishing conformity. In response to U.S. concerns, China indicated that it would allow foreign laboratories with facilities in China to conduct its required testing. However, this change does not address the burden of China's requirement, which does not consider the applicability of testing conducted via internationally recognized laboratories outside of China, as well as other means used by foreign regulators and industries to assess the conformity of product and ingredient safety and performance claims.

The United States also questions China's assertion that its cosmetics good manufacturing practices (GMP) requirements provide equal treatment for imported and domestic general and special cosmetics. If the

government of a cosmetics importer does not issue GMP or manufacturing export certificates, the only means that China provides to establish conformity with China's GMP for general cosmetics is animal testing. The United States and other WTO Members have made repeated requests that China consider the many alternative means available to establish GMP conformity, including utilizing second party or third party certificates based upon international GMP standards, such as ISO 22716 guidelines on GMP. Although China accepts some GMP certificates issued by U.S. state governments, the process remains inconsistent and uncertain for exporters.

Some foreign companies who manufacture outside of China have been able to access China's cosmetics market through cross-border electronic commerce channels without needing to go through some of the burdensome regulatory requirements, such as animal testing. However, access to the Chinese market through these channels is limited and there have been indications that requirements for electronic commerce goods may tighten in the future.

In sum, after years of the United States engaging with China bilaterally and via, the WTO and other fora to press for clarity, express concerns, and share expertise regarding the regulation of cosmetics, China has not yet addressed key U.S. concerns, including the use of good regulatory practices to facilitate cosmetics conformity assessment and avoid discriminatory treatment, nor has it provided confidence that U.S. IP will be protected. Until China addresses these concerns, which have not changed over the course of 2024, many U.S. companies will be impeded in accessing, or simply unable to access, the China market.

Sanitary and Phytosanitary Barriers

Overview

China remains a difficult and unpredictable market for U.S. agricultural exporters, largely because of inconsistent enforcement of regulations and selective intervention in the market by China's regulatory authorities. China's unwillingness to routinely base its measures on science-based risk assessment or international standards and guidelines and to apply regulatory enforcement in a transparent and rules-based manner further complicates and impedes agricultural trade.

Agricultural Biotechnology Approvals

The Chinese regulatory approval process for agricultural biotechnology products creates significant uncertainty among developers and traders, slowing commercialization of products and creating adverse trade impacts, particularly for U.S. exports of corn, soy, canola, alfalfa, and potatoes. Despite some recent product approvals, the process remains lengthy and opaque and continues to reflect significant asynchrony relative to approvals issued by regulatory authorities in many other countries.

For many years, biotechnology product approvals by China's regulatory authorities mainly materialized only after high-level political intervention. In the Phase One Agreement, China committed to implement a transparent, predictable, efficient, and science- and risk-based system for the review of products of agricultural biotechnology. In the agreement, China also committed to improve its regulatory authorization process for agricultural biotechnology products, including by completing reviews of products for use as animal feed or further processing within an average of no more than 24 months and by improving the transparency of its review process. China also agreed to work with importers and the U.S. Government to address situations involving low-level presence of genetically engineered (GE) materials in shipments. In addition, China agreed to establish a regulatory approval process for all food ingredients derived from genetically modified microorganisms (GMMs), rather than continue to restrict market access to GMM-derived enzymes only.

Since 2021, China's National Biosafety Committee (NBC) has issued biosafety certificates to foreign developers for several new GE products for import as feed or for processing, including alfalfa, canola, corn, cotton, soybean, and sugarcane products. Some of these approved products had been under review for more than 10 years. During the same time period, China has issued biosafety certificates to Chinese developers for dozens of new corn, cotton, and soybean varieties for domestic cultivation, including both transgenic and genome-edited products.

China's commitments related to agricultural biotechnology are among the most significant commitments under the Phase One Agreement, but they remain unfulfilled. Despite the commitments that China made, there remains a significant lack of transparency regarding the procedures for convening meetings of the NBC, including regarding dates and agenda items for these meetings and the process for notifying applicants of outcomes and for soliciting additional information to support product applications. While the NBC is required to meet at least two times each year, the meetings are not held pursuant to a regular schedule, and information about the meetings is not widely shared with the public in a transparent and predictable manner. In addition, in conducting its approval process, China continues to ask for information that is not relevant to a product's intended use or information that applicants have previously provided. For this and other reasons, China has not reduced the average time for its approval process for agricultural biotechnology products for feed or further processing to no more than 24 months.

Poultry

In the Phase One Agreement, China agreed to maintain measures consistent with the World Organization for Animal Health (WOAH) guidelines for future outbreaks of avian influenza. China also agreed to sign a regionalization protocol within 30 days of entry into force of the agreement, which it did, to help avoid unwarranted nationwide animal disease restrictions in the future. This protocol requires that China resume acceptance of poultry imports from states with high pathogenicity avian influenza (HPAI) detections within five days of receiving a U.S. report that the states are HPAI-free. Following the implementation of the protocol, China initially complied with its terms.

Starting in February 2022, the United States notified China of detections of HPAI in multiple U.S. states. In the ensuing months, several states recovered from these detections, and they were deemed HPAI-free by the United States. The United States submitted reports to China for these states and requested approval to resume exporting poultry from these states to China. In November 2023, China removed restrictions on seven U.S. states, but numerous other HPAI-free U.S. states remain restricted. As of December 31, 2024, China had yet to confirm the restoration of market access for the majority of the impacted U.S. states.

Pork

China maintains an approach to U.S. pork that appears to be inconsistent with international standards, limiting the potential of an important export market given China's growing meat consumption. Specifically, China bans the use of certain veterinary drugs and growth promotants for which there are maximum residue limits (MRLs) set by Codex Alimentarius (Codex).

As part of the Phase One Agreement, China agreed to broaden the list of pork products that are eligible for importation, including processed products such as ham and certain types of offal that are inspected by the U.S. Department of Agriculture's Food Safety and Inspection Service for both domestic and international trade. China also agreed to conduct a risk assessment for ractopamine in swine and cattle as soon as possible and to establish a joint working group with the United States to discuss next steps based on the risk assessment. As of December 31, 2024, China has not completed the risk assessment and therefore has not yet made any progress on next steps based on the risk assessment, which will need to include the establishment of MRLs or import tolerances.

Since 2022, China has rejected shipments from certain U.S. pork facilities and subjected subsequent shipments from these facilities to increased inspections due to alleged detections of animal diseases, such as porcine reproductive respiratory syndrome and Seneca Valley virus. Certain common testing techniques are known to show false positives when the animals being tested have received vaccinations against these animal diseases. In addition, these animal diseases are endemic in China and pose no threat to human health, and China has not identified any standard or regulation that the shipments in question violated, nor has China identified a pathway for shipments from these facilities to resume normal customs clearance procedures.

Beef

In the Phase One Agreement, China agreed to expand the scope of U.S. beef products allowed to be imported, to eliminate age restrictions on cattle slaughtered for export to China and to recognize the U.S. beef and beef products' traceability system. China also agreed to establish MRLs consistent with Codex standards and guidelines for three synthetic hormones legally used for decades in the United States. Where Codex standards and guidelines do not yet exist, China agreed to use MRLs established by other countries that have performed science-based risk assessments.

While China confirmed to the United States that it had adopted Codex-consistent MRLs for use of the three synthetic hormones in beef, China still has not published the MRLs. The lack of publication contributes to regulatory ambiguity for U.S. beef producers and traders. China's failure to publish the MRLs is another example of China's inadequate implementation of the Phase One Agreement.

As previously noted, China also made a commitment in the Phase One Agreement to complete a risk assessment for ractopamine in swine and cattle, but it has not yet followed through. Meanwhile, in 2022, China began rejecting certain shipments of U.S. beef products due to alleged findings of the veterinary drug ractopamine. China subsequently suspended the U.S. facilities that produced these products from exporting to China. In several cases, China also suspended the cold storage facilities that had handled the products immediately prior to shipping, despite the fact that these cold storage facilities have no role in raising or feeding cattle or in processing beef products. The cold storage facility suspensions imposed by China also restrict exports of unrelated products, such as poultry and pork products. As of December 31, 2024, China had not outlined a process for the relisting of any of the impacted facilities as eligible to export to China.

The Phase One Agreement requires China to "accept meat, poultry meat, and processed meat and poultry meat . . . inspected by the FSIS . . . and accompanied by an FSIS Export Certificate of Wholesomeness." China may refuse to accept shipments from a facility if "China determines that there is "a significant, sustained or recurring pattern of non-conformity . . . until the problem is resolved." In each of the cases in question, China suspended the facilities after a single isolated incident and has not lifted the suspensions even after USDA explained the new mitigation measures implemented by each of the impacted facilities. The United States will continue to closely monitor China's actions in this area.

GOVERNMENT PROCUREMENT

In its WTO accession agreement, China made a commitment to initiate negotiations to accede to the WTO Agreement on Government Procurement (GPA) and to open up its vast government procurement market to the United States and other GPA Parties. More than two decades later, this commitment remains unfulfilled, while China's government procurement has continued to grow. Even though it has been an observer to the WTO Committee on Government Procurement since February 2002, China has still not become a party to the GPA.

The United States, the European Union and other GPA Parties have viewed China's GPA offers over the years as highly disappointing in scope and coverage. China submitted its sixth revised offer in October 2019 and significant deficiencies remain in a number of critical areas. China's most recent submission, made in June 2021, was an update of its checklist of issues, which informs GPA Parties of changes to China's existing government procurement regime since its last update.

China's current government procurement regime is governed by two important laws. The Government Procurement Law, administered by the Ministry of Finance, governs purchasing activities conducted with fiscal funds by state organs and other organizations at all levels of government in China, but does not apply to procurements by state-owned enterprises. The Tendering and Bidding Law falls under the jurisdiction of the National Development and Reform Commission (NDRC) and imposes uniform tendering and bidding procedures for certain classes of procurement projects in China, notably construction and works projects, without regard for the type of entity (*e.g.*, a government agency or a state-owned enterprise) that conducts the procurement. Both laws cover important procurements that GPA Parties would consider to be government procurement eligible for coverage under the GPA.

China's Foreign Investment Law, which entered into force in January 2020, and the related October 2021 Ministry of Finance Notice 35, state that China will provide equal treatment to foreign companies invested in China and to domestic Chinese companies with regard to government procurement opportunities. However, foreign companies report a marked increase in preference for domestic Chinese companies over foreign companies invested in China.

In July 2022, the Ministry of Finance issued draft amendments to the Government Procurement Law. Among other changes, these draft amendments would codify the requirement that officials at all levels of government refrain from purchasing foreign products whenever domestic products are available. The draft amendments, which have not yet been finalized, do not define the term "domestic product." In December 2024, the Ministry of Finance published the "Notice on Matters Related to Domestic Product Standards and Implementation Policies in the Field of Government Procurement," which includes a definition of "domestic product" and outlines benefits for eligible products in government procurement.

In August 2023, China's State Council issued the Opinions on Further Optimizing the Foreign Investment Environment and Enhancing the Attraction of Foreign Investment, known as Document 11. One of the 24 topics addressed in Document 11 is government procurement. Specifically, Article 6 of Document 11 offers various suggestions for how central level ministries and sub-central government authorities could work to ensure that foreign-invested enterprises can participate in China's government procurement market, consistent with existing Chinese law. In Article 6, the State Council recommends clarifying the meaning of "produced in China" as it relates to China's government procurement laws and regulations and providing unspecified support for foreign-invested enterprises to encourage them to develop their cutting-edge products in China. While China's leadership has touted Document 11 to the foreign business community as a demonstration of China's sincerity about fostering a more welcoming environment for foreign companies in China, Document 11 provides little clarity as to how its suggestions would be implemented, nor does it identify timelines for acting on them. Going forward, the United States expects China to make any forthcoming draft implementing measures accessible to the public, including the foreign business community, and to provide a reasonable period of time to submit comments on them.

Under both its government procurement regime and its tendering and bidding regime, China continues to implement policies favoring products, services, and technologies made or developed by Chinese-owned and Chinese-controlled companies through explicit and implicit requirements that hamper foreign companies from fairly competing in China. For example, foreign companies continue to report cases in which "domestic brands" and "indigenous designs" are required in tendering documents. Since China has

not yet adopted clear rules on what constitutes a “domestic product,” procurement officials often prefer to err on the side of caution and purchase products from domestic Chinese companies.

In December 2024, China’s Ministry of Finance issued for public comment the Notice on Matters Concerning Domestic Product Standards and Implementation Policies in the Field of Government Procurement (Draft for Comments). This draft measure provides that for a product to be eligible for certain benefits, the product must meet several criteria, including that it must be manufactured within China’s territory, the cost of components produced in China must meet the prescribed proportion requirements that will be determined on a sector-by-sector basis, and it must comply with requirements for domestic manufacturing of certain key components and processes of specific products. The draft measure also provides that products meeting these criteria will receive a 20 percent price deduction applied to the bidding price for evaluation purposes in government procurement activities where both domestic and non-domestic products compete.

INTELLECTUAL PROPERTY PROTECTION

Overview

After its accession to the WTO, China undertook a wide-ranging revision of its framework of laws and regulations aimed at protecting the IP rights of domestic and foreign right holders, as required by the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement). Despite various plans and directives issued by the State Council, inadequacies in China’s IP protection and enforcement regime continue to present serious barriers to U.S. exports and investment. As a result, as in the previous year, China was again placed on the Priority Watch List in USTR’s [2024 Special 301 Report](#). In addition, in January 2025, USTR announced the results of its [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List), which identifies online and physical markets that exemplify key challenges in the global struggle against piracy and counterfeiting and explains the harm not only to U.S. businesses, but also to U.S. workers. Several markets in China were among those named as notorious markets, as China continues to be the number one source of pirated and counterfeit products in the world.

The Phase One Agreement addresses numerous longstanding U.S. concerns relating to China’s inadequate IP protection and enforcement. Specifically, the agreement requires China to revise its legal and regulatory regimes in a number of ways in the areas of trade secrets, pharmaceutical-related IP, patents, trademarks, and geographical indications. In addition, the agreement requires China to make numerous changes to its judicial procedures and to establish deterrent-level penalties. China must also take a number of steps to strengthen enforcement against pirated and counterfeit goods, including in the online environment, at physical markets and at the border.

China has published a number of draft measures for comment and issued some final measures relating to implementation of the IP chapter of the Phase One Agreement. Notably, China amended the Patent Law, the Copyright Law and the Criminal Law. At the same time, U.S. right holders have expressed serious concerns about some final measures that lack details and leave too much discretion with the enforcement authorities, which creates uncertainties and can lead to inconsistencies in the scope of coverage and the availability and nature of relief. In addition, China has outstanding work to finalize the draft measures that it has published and to publish other draft measures in accordance with the Intellectual Property Action Plan that it released in April 2020. Outstanding areas to be addressed include areas such as: the protection of trade secrets and confidential business information from unauthorized disclosures by government personnel and third-party experts; criminal enforcement of trade secrets theft; enforcement procedures to combat online infringement, including an effective notice and takedown system; the protection and

enforcement of trademark rights, particularly against bad faith trademark registrations; increases in the minimum and maximum levels of statutory damages and criminal penalties for IP infringement; patent term extensions for unreasonable marketing approval delays; and geographical indications.

Meanwhile, in connection with the Phase One Agreement, China has reported increased enforcement actions against counterfeit medicines and increased customs actions against pirated and counterfeit goods. However, China has yet to demonstrate that it has taken the following actions: (1) published data online regarding enforcement actions against counterfeit goods with health and safety risks, enforcement actions at physical markets, and enforcement actions at the border; (2) increased enforcement actions against counterfeits with health and safety risks and at physical markets; (3) increased training of customs personnel; or (4) ensured the use of only licensed software in government agencies and state-owned enterprises.

Going forward, the United States will continue to monitor China's implementation of the IP chapter of the Phase One Agreement. The United States will also assess the impact of the final measures that have been issued by China and the enforcement actions that China takes.

Trade Secrets

Serious inadequacies in the protection and enforcement of trade secrets in China have been the subject of high-profile engagement between the United States and China in recent years. Several instances of trade secret theft for the benefit of Chinese companies have occurred both within China and outside of China. Offenders in many cases continue to operate with impunity. Particularly troubling are reports that actors affiliated with the Chinese Government and the Chinese military have infiltrated the computer systems of U.S. companies, stealing terabytes of data, including the companies' proprietary information and IP, for the purpose of providing commercial advantages to Chinese enterprises.

In high-level bilateral dialogues with the United States over the years, China has committed to issue judicial guidance to strengthen its trade secrets regime. China has also committed not to condone state-sponsored misappropriation of trade secrets for commercial use. In addition, the United States has urged China to make certain key amendments to its trade secrets-related laws and regulations, particularly with regard to a draft revision of the Anti-Unfair Competition Law. The United States has also urged China to take actions to address inadequacies across the range of state-sponsored actors and to promote public awareness of trade secrets disciplines.

At the November 2016 U.S.-China Joint Commission on Commerce and Trade (JCCT) meeting, China claimed that it was strengthening its trade secrets regime and bolstering several areas of importance, including the availability of evidence preservation orders and damages based on market value as well as the issuance of a judicial interpretation on preliminary injunctions and other matters. China amended the Anti-Unfair Competition Law, effective January 2018 and April 2019, as well as the Administrative Licensing Law, effective April 2019, and the Foreign Investment Law, effective January 2020. Nevertheless, the amendments still do not fully address critical shortcomings in the scope of protections and obstacles to enforcement. In 2022, China published additional draft amendments to the Anti-Unfair Competition Law, but they contain few changes to the law's trade secrets provisions.

The Phase One Agreement significantly strengthens protections for trade secrets and enforcement against trade secret theft in China. In particular, the chapter on IP requires China to expand the scope of civil liability for misappropriation beyond entities directly involved in the manufacture or sale of goods and services, to cover acts such as electronic intrusions as prohibited acts of trade secret theft and to shift the burden of proof in civil cases to the defendants when there is a reasonable indication of trade secret theft. It also requires China to make it easier for right holders to obtain preliminary injunctions to prevent the use

of stolen trade secrets, to allow for initiation of criminal investigations without the need to show actual losses, to ensure that criminal enforcement is available for willful trade secret misappropriation, and to prohibit government personnel and third party experts and advisors from engaging in the unauthorized disclosure of undisclosed information, trade secrets, and confidential business information submitted to the government.

In 2020, China published various measures relating to civil, criminal, and administrative enforcement of trade secrets. In September 2020, the Supreme People's Court issued the Provisions on Several Issues Concerning the Application of Law in Civil Cases of Trade Secret Infringement and the Interpretation III on Several Issues Concerning the Application of Law in Handling Criminal Cases of Infringement of Intellectual Property Rights. In September 2020, the Supreme People's Procuratorate and the Ministry of Public Security also issued the Decision on Amendment of Docketing for Prosecution of Criminal Trade Secrets Infringement Cases Standards. These measures relate to issues such as the scope of liability for trade secret misappropriation, prohibited acts of trade secret theft, preliminary injunctions, and thresholds for initiations of criminal investigations for trade secret theft. In December 2020, the National People's Congress passed amendments to the Criminal Law that included changes to the thresholds for criminal investigation and prosecution and the scope of criminal acts of trade secret theft. The Criminal Law amendments require revisions to certain previously issued judicial interpretations and prosecution standards. However, three years after the passage of the Criminal Law amendments, these other measures remain unchanged, and implementation of the Criminal Law amendments therefore remains incomplete. Indeed, China has only published a draft judicial interpretation. The United States will continue to monitor the effectiveness of all of these measures.

Bad Faith Trademark Registration

The continuing registration of trademarks in bad faith in China remains a significant concern. For example, “trademark squatters” attempt to take advantage when a genuine trademark owner has not yet registered its trademark in China by registering that trademark and then trying to sell it to the genuine trademark owner. Bad faith trademark registration also occurs when trademarks intending to deceive or confuse consumers are registered.

At the November 2016 JCCT meeting, China publicly noted the harm that can be caused by bad faith trademarks and asserted that it was taking further steps to combat bad faith trademark filings. Amendments to the Trademark Law made in 2019 and subsequent implementing measures, including the State Administration for Market Regulation (SAMR) Provisions on Standardizing Applications for Registrations of Trademarks issued in 2019 and the Trademark Examination and Review Guidelines updated in 2021 by the China National Intellectual Property Administration (CNIPA), require the disallowance of bad faith trademark applications. In January 2023, China proposed further amendments to the Trademark Law regarding bad faith trademarks.

However, implementation in this area by China suggests that right holders remain insufficiently protected, as bad faith trademarks remain widespread and problems persist with the large number of inconsistent decisions, low rate of success for oppositions, lack of transparency in opposition proceedings, and unavailability of default judgments against applicants who fail to appear in proceedings. Onerous documentation requirements are also an ongoing concern for right holders. China acceded to the Convention of 5 October 1961 Abolishing the Requirement of Legalization for Foreign Public Documents (Apostille Convention), effective November 2023. The United States will monitor China's implementation of the obligations under the Apostille Convention and whether it addresses right holders' concerns regarding foreign government document legalization requirements.

As a result of these deficiencies, U.S. companies across industry sectors continue to face Chinese applicants registering their marks and “holding them for ransom” or seeking to establish a business building off of U.S. companies’ global reputations. The Phase One Agreement requires China to ensure adequate and effective protection and enforcement of trademark rights, particularly against bad faith trademark registrations. The United States will continue to closely monitor developments in this area of long-standing concern.

Online Infringement

Online piracy continues on a large scale in China, affecting a wide range of industries, including those involved in distributing legitimate music, motion pictures, books and journals, software, and video games. While increased enforcement activities have helped stem the flow of online sales of some pirated offerings, much more sustained action and attention is needed to make a meaningful difference for content creators and right holders, particularly small and medium-sized enterprises. In response to the COVID-19 pandemic, reports indicate that many infringers have moved online to distribute their pirated and counterfeit goods, which further increases the need for targeted and sustained enforcement measures in the online environment.

The United States has urged China to consider ways to create a broader policy environment to help foster the growth of healthy markets for licensed and legitimate content. The United States has also urged China to revise existing rules that have proven to be counterproductive.

At the November 2016 JCCT meeting, China agreed to actively promote electronic commerce-related legislation, strengthen supervision over online infringement and counterfeiting, and work with the United States to explore the use of new approaches to enhance online enforcement capacity. In December 2016 and November 2017, China published drafts of a new E-Commerce Law for public comment. In written comments, the United States stressed that the final version of this law should not undermine the existing notice-and-takedown system and should promote effective cooperation in deterring online infringement. In August 2018, China adopted its new E-Commerce Law, which entered into force in January 2019. This law was an opportunity for China to institute strong provisions on IP protection and enforcement for its electronic commerce market, which is now the largest in the world. However, as finalized, the law instead introduced provisions that weaken the ability of right holders to protect their rights online and that reduce the liability of China-based electronic commerce platforms for selling counterfeit and other infringing goods.

The Phase One Agreement requires China to provide enforcement procedures that permit effective and expeditious action against infringement in the online environment, including by requiring expeditious takedowns and by ensuring the validity of takedown notices and counter-notifications. It also requires China to take effective action against electronic commerce platforms that fail to take necessary measures against infringement.

In May 2020, the National People’s Congress issued the Civil Code, which included updated notice-and-takedown provisions. In September 2020, the Supreme People’s Court issued Guiding Opinions on Hearing Intellectual Property Disputes Involving E-Commerce Platforms and the Official Reply on the Application of Law in Network-Related Intellectual Property Infringement Disputes. These measures relate to issues such as expeditious takedowns and the validity of notices and counter-notifications, but have only recently taken effect. In November 2020, the National People’s Congress adopted long-pending amendments to the Copyright Law, including provisions relating to increasing civil remedies for copyright infringement, new rights of public performance and broadcasting for producers of sound recordings, and protections against the circumvention of technological protection measures. Right holders have welcomed these developments

but have noted the need for effective implementation as well as new measures to address online piracy. The United States will closely monitor the impact of these measures going forward.

In August 2021, SAMR issued draft amendments to the E-Commerce Law for public comment. These draft amendments further attempt to address concerns that have been raised about procedures and penalties under China's notice-and-takedown system.

Counterfeit Goods

Counterfeiting in China remains widespread and affects a wide range of goods. In April 2019, China amended its Trademark Law, effective November 2019, to require civil courts to order the destruction of counterfeit goods, but these amendments still do not provide the full scope of civil remedies for right holders. One of many areas of particular U.S. concern involves medications. Despite years of sustained engagement by the United States, China has failed to adequately improve its regulation of the manufacture of active pharmaceutical ingredients to prevent their use in counterfeit and substandard medications. At the July 2014 meeting of the United States-China Strategic and Economic Dialogue (S&ED), China committed to develop and seriously consider amendments to the Drug Administration Law that will require regulatory control of the manufacturers of bulk chemicals that can be used as active pharmaceutical ingredients. At the June 2015 S&ED meeting, China further committed to publish revisions to the Drug Administration Law in draft form for public comment and to consider the views of the United States and other relevant stakeholders. In October 2017, China published limited draft revisions to the Drug Administration Law and stated that future proposed revisions to the remainder of this law would be forthcoming. Although the final Drug Administration Law, issued in August 2019, requires pharmaceuticals products and active pharmaceutical ingredients to meet manufacturing standards, it remains unclear how these requirements will be implemented or enforced.

The Phase One Agreement requires China to take effective enforcement action against counterfeit pharmaceuticals and related products, including active pharmaceutical ingredients, and to significantly increase actions to stop the manufacture and distribution of counterfeits with significant health or safety risks. The agreement also requires China to provide that its judicial authorities shall order the forfeiture and destruction of pirated and counterfeit goods, along with the materials and implements predominantly used in their manufacture. In addition, the agreement requires China to significantly increase the number of enforcement actions at physical markets in China and against goods that are exported or in transit. It further requires China to ensure, through third party audits, that government agencies and state-owned enterprises only use licensed software.

In August 2020, SAMR issued the Opinions on Strengthening the Destruction of Infringing and Counterfeit Goods, and the State Council amended the Provisions on the Transfer of Suspected Criminal Cases by Administrative Organs for Law Enforcement, which relate to the transfer of IP cases from administrative authorities to criminal authorities. China has reported increased enforcement actions against counterfeit medicines and increased customs actions against pirated and counterfeit goods, but has yet to demonstrate that it has increased enforcement actions against counterfeits with health and safety risks and at physical markets, increased training of customs personnel, transferred more cases for criminal prosecution, and ensured the use of only licensed software in government agencies and state-owned enterprises.

Indigenous Innovation

Policies aimed at promoting China's "indigenous innovation" continue to represent an important component of China's industrialization efforts. Through intensive, high-level bilateral engagement with China since 2009, the United States has attempted to address these policies, which provide various preferences when IP is owned or developed in China, both broadly across sectors of China's economy and

specifically in the government procurement context. For example, at the May 2012 S&ED meeting, China committed to treat IP owned or developed in other countries the same as IP owned or developed in China. The United States also used the JCCT process in 2012 and subsequent discussions to press China to revise or eliminate specific measures that appeared to be inconsistent with this commitment. At the December 2014 JCCT meeting, China clarified and underscored that it will treat IP owned or developed in other countries in the same manner as domestically owned or developed IP. However, these commitments have not been fulfilled. China continues to pursue myriad policies that require or favor the ownership or development of IP in China.

The United States secured a series of similar commitments from China in the government procurement context, where China agreed to de-link indigenous innovation policies at all levels of the Chinese Government from government procurement preferences, including through the issuance of a State Council measure mandating that provincial and local governments eliminate any remaining linkages by December 2011. Many years later, however, this promise had not been fulfilled. At the November 2016 JCCT meeting, in response to U.S. concerns regarding the continued issuance of scores of inconsistent measures, China announced that its State Council had issued a document requiring all agencies and all sub-central governments to “further clean up related measures linking indigenous innovation policy to the provision of government procurement preference.”

Over the years, the underlying thrust of China’s indigenous innovation policies has remained unchanged, as China’s leadership has continued to emphasize the necessity of advancing indigenous innovation capabilities. Through plans such as the 14th Five-Year Plan for the Protection and Utilization of National Intellectual Property Rights, China has continued to implement discriminatory policies encouraging “indigenous IP rights” and “core technologies” that are owned or developed in China. Accordingly, USTR has used mechanisms like a Section 301 investigation to seek to address, among other things, China’s use of indigenous innovation policies that effectively force or pressure foreigners to transfer their technologies to Chinese companies or develop their IP in China.

SERVICES BARRIERS

Overview

The prospects for U.S. service suppliers in China should be promising, given the size of China’s market. Nevertheless, the U.S. share of China’s services market remains well below the U.S. share of the global services market, and the Organization for Economic Cooperation and Development (OECD) continues to rate China’s services regime as one of the more restrictive among the world’s major economies.

In 2024, numerous challenges persisted in a number of services sectors. As in past years, Chinese regulators continued to use discriminatory regulatory processes, informal bans on entry and expansion, case-by-case approvals in some services sectors, overly burdensome licensing and operating requirements, and other means to frustrate the efforts of U.S. suppliers of services to achieve their full market potential in China. These policies and practices affect U.S. service suppliers across a wide range of sectors, including cloud computing, telecommunications, film production and distribution, online video and entertainment services, express delivery, and legal services. In addition, China’s Cybersecurity Law and related implementing measures include mandates to purchase domestic information and communications technology (ICT) products and services, while China’s Cybersecurity Law, Data Security Law, and Personal Information Protection Law, as well as related implementing measures include excessive restrictions on cross-border data flows, and excessive requirements to store and process data locally. These types of data measures undermine U.S. services suppliers’ ability to take advantage of market access opportunities in China by prohibiting or severely restricting cross-border transfers of information that are routine in the ordinary

course of business and are fundamental to any business activity. China's data localization requirements also raise concerns about state surveillance. In addition, China has failed to fully address U.S. concerns in areas that have been the subject of WTO dispute settlement, including electronic payment services and theatrical film importation and distribution.

The Phase One Agreement addresses a number of longstanding trade and investment barriers to U.S. providers of a wide range of financial services, including banking, insurance, securities, asset management, credit rating and electronic payment services, among others. The barriers addressed in the agreement include joint venture requirements, foreign equity limitations and various discriminatory regulatory requirements. Removal of these barriers is designed to allow U.S. financial service providers to compete on a more level playing field and expand their services export offerings in the China market. Nevertheless, China's excessive restrictions on cross-border data flows and data localization requirements could continue to create significant challenges for U.S. financial service providers in China.

Banking Services

Although China has opened its banking sector to foreign competition in the form of wholly foreign-owned banks, China has maintained restrictions on market access in other ways. These restrictions have kept foreign banks from establishing, expanding, and obtaining significant market share in China, including through capital controls and minimum asset thresholds.

Some years ago, China did take some steps to ease or remove market access restrictions. For example, China removed a number of long-standing barriers for foreign banks, including the \$10 billion minimum asset requirement for establishing a foreign bank in China and the \$20 billion minimum asset requirement for setting up a Chinese branch of a foreign bank. China also removed the cap on the equity interest that a single foreign investor can hold in a Chinese-owned bank.

In the Phase One Agreement, China committed to expand opportunities for U.S. financial institutions, including bank branches, to supply securities investment fund custody services by considering their global assets when they seek licenses. China also agreed to review and approve qualified applications by U.S. financial institutions for securities investment fund custody licenses on an expeditious basis. In addition, China committed to consider the international qualifications of U.S. financial institutions when evaluating license applications for Type-A lead underwriting services for all types of non-financial debt instruments in China. The United States will continue to monitor these developments.

Securities, Asset Management and Futures Services

In the Phase One Agreement, China committed to remove the foreign equity caps in the securities, asset management and futures sectors by no later than April 1, 2020. It also committed to ensure that U.S. suppliers of securities, asset management and futures services are able to access China's market on a non-discriminatory basis, including with regard to the review and approval of license applications.

Consistent with its commitments in the Phase One Agreement, China announced that it would allow wholly foreign-owned companies for the securities and asset (*i.e.*, fund) management sectors as of April 1, 2020, and that it would allow wholly foreign-owned companies for the futures sector as of January 1, 2020. Prior to these announcements, China had maintained a foreign equity cap of 51 percent for these sectors. Over the past five years, some U.S. financial institutions have applied for and received licenses to operate as wholly foreign-owned enterprises in these sectors. The United States is monitoring these and other developments as U.S. companies continue to seek to obtain licenses and undertake operations in these sectors.

Insurance Services

In the Phase One Agreement, China committed to accelerate the removal of the foreign equity caps for life, pension, and health insurance so that they are removed no later than April 1, 2020. In addition, it confirmed the removal of the 30-year operating requirement, known as a “seasoning” requirement, which had been applied to foreign insurers seeking to establish operations in China in all insurance sectors. China also committed to remove all other discriminatory regulatory requirements and processes and to expeditiously review and approve license applications.

Consistent with China’s commitments in the Phase One Agreement, the China Banking and Insurance Regulatory Commission (CBIRC) announced that China would allow wholly foreign-owned companies for the life, pension, and health insurance sectors as of January 1, 2020. Prior to this announcement, China had maintained foreign equity caps and only permitted foreign companies to establish as Chinese-foreign joint ventures in these sectors. In December 2020, CBIRC issued a measure that provided further transparency regarding its intention to allow foreign-invested companies to take advantage of this opening.

In insurance sectors, the United States continues to encourage China to establish more transparent procedures so as to better enable foreign participation in China’s market, especially in export credit insurance and political risk insurance.

Finally, some U.S. insurance companies established in China have encountered difficulties in getting CBIRC, replaced by the National Administration of Financial Regulation (NAFR) in March 2023, to issue timely approvals of their requests to open up new internal branches to expand their operations. The United States continues to urge NAFR to issue timely approvals when U.S. insurance companies seek to expand their branch networks in China.

Electronic Payment Services

In a WTO dispute that it launched in 2010, the United States challenged China’s restrictions on foreign companies, including major U.S. credit and debit card processing companies, which had been seeking to supply electronic payment services to banks and other businesses that issue or accept credit and debit cards in China. The United States argued that China had committed in its WTO accession agreement to open up this sector in 2006, and a WTO panel agreed with the United States in a decision issued in 2012. China subsequently agreed to comply with the WTO panel’s rulings in 2013, but China did not allow foreign suppliers to apply for licenses until June 2017, when China’s regulator – PBOC – finalized the establishment of a two-step licensing process in which a supplier must first complete one year of preparatory work before being able to apply for a license.

As of January 2020, when the United States and China entered into the Phase One Agreement, no foreign supplier of electronic payment services had been able to secure the license needed to operate in China’s market due largely to delays caused by PBOC. At times, PBOC had refused even to accept applications to begin preparatory work from U.S. suppliers, the first of two required steps in the licensing process. Meanwhile, throughout the years that China actively delayed opening up its market to foreign suppliers, China’s national champion, China Union Pay, has used its exclusive access to domestic currency transactions in the China market, and the revenues that come with it, to support its efforts to build out its electronic payment services network abroad, including in the United States. In other words, China consciously decided to maintain market-distorting practices that benefit its own companies, even in the face of adverse rulings at the WTO.

In the Phase One Agreement, China committed to ensure that PBOC operates an improved and timely licensing process for U.S. suppliers of electronic payment services so as to facilitate their access to China’s

market. In June 2020, four months after the entry into force of the Phase One Agreement, American Express became the first foreign supplier of electronic payment services to secure a license from PBOC to operate in China's market. In November 2023, after years of delays, Mastercard was finally able to secure a license to operate in the China market. Meanwhile, PBOC has been delaying action for even longer periods of time on the licensing application submitted by another U.S. supplier, Visa. The United States continues to closely monitor this situation with concern.

Internet-Enabled Payment Services

PBOC first issued regulations for non-bank suppliers of online payment services in 2010, and it subsequently began processing applications for licensees. Regulations were further strengthened in 2015, with additional provisions aimed at increasing security and traceability of transactions. According to a U.S. industry report, of more than 200 licenses issued as of June 2014, only two had been issued to foreign-invested suppliers, and those two were for very limited services. This report provided clear evidence supporting stakeholder concerns about the difficulties they faced entering China's market and the slow process foreign firms face in getting licensed. In 2018, PBOC announced that it would allow foreign suppliers, on a nondiscriminatory basis, to supply Internet-enabled payment services. At the same time, as in many other sectors, PBOC requires suppliers to localize their data and facilities in China. In January 2021, PayPal became the first foreign company to obtain full ownership of a payment platform in China, along with a license to supply payment services. The United States will continue to closely monitor developments in this area.

Telecommunications Services

China's restrictions on basic telecommunications services, such as an informal ban on new entry, a 49-percent foreign equity cap, a requirement that foreign suppliers can only enter into joint ventures with state-owned enterprises, and exceedingly high capital requirements, have blocked foreign suppliers from accessing China's basic telecommunications services market. Since China acceded to the WTO more than two decades ago, not a single foreign firm has succeeded in establishing a new joint venture to enter this sector.

Restrictions maintained by China on less highly regulated value-added telecommunications services also have created serious barriers to market entry for foreign suppliers seeking to enter this sector. These restrictions include opaque and arbitrary licensing procedures, foreign equity caps, and periodic, unjustified moratoria on the issuance of new licenses. As a result, only a few dozen foreign-invested suppliers have secured licenses to provide value-added telecommunications services, while there are thousands of licensed domestic suppliers.

Internet Regulatory Regime

China's Internet regulatory regime is restrictive and non-transparent, affecting a broad range of commercial services activities conducted via the Internet, and is overseen by multiple agencies without clear lines of jurisdiction. China's Internet economy has boomed over the past decade and is second in size only to that of the United States. Growth in China has been marked in service sectors similar to those found in the United States, including retail websites, search engines, vocational and adult online education, travel, advertising, audio-visual and computer gaming services, electronic mail and text, online job searches, Internet consulting, mapping services, applications, web domain registration, and electronic trading. However, in the China market, Chinese companies dominate due in large part to restrictions imposed on foreign companies by the Chinese Government. At the same time, foreign companies continue to encounter major difficulties in attempting to offer these and other Internet-based services on a cross-border basis.

China continues to engage in extensive blocking of legitimate websites, imposing significant costs on both suppliers and users of web-based services and products. China currently blocks most of the largest global sites, and U.S. industry research has calculated that more than 10,000 sites are blocked, affecting billions of dollars in business, including communications, networking, application stores, news, and other sites. Even when sites are not permanently blocked, the often arbitrary implementation of blocking, and the performance-degrading effect of filtering all traffic into and outside of China, significantly impair the supply of many cross-border services, often to the point of making them unviable.

Voice over Internet Protocol Services

While computer-to-computer Voice over Internet Protocol (VOIP) services are permitted in China, China's regulatory authorities have restricted the ability to offer VOIP services interconnected to the public switched telecommunications network (*i.e.*, to call a traditional phone number) to basic telecommunications service licensees. There is no obvious rationale for such a restriction, which deprives consumers of a useful communication option, and the United States continues to advocate for eliminating it.

Cloud Computing Services

Especially troubling is China's treatment of foreign companies seeking to participate in the development of cloud computing services, including computer data processing and storage services and software application services provided over the Internet. China prohibits foreign companies established in China from directly providing any of these services. Given the difficulty in providing these services on a cross-border basis (largely due to restrictive Chinese policies), the only option that a foreign company has to access the China market is to establish a contractual partnership with a Chinese company, which is the holder of the necessary Internet data center license, and turn over its valuable technology, IP, know-how, and branding as part of this arrangement. While the foreign service supplier earns a licensing fee from the arrangement, it has no direct relationship with customers in China and no ability to independently develop its business. It has essentially handed over its business to a Chinese company that may well become a global competitor. This treatment has generated serious concerns in the United States and among other WTO Members as well as U.S. and other foreign companies.

In major markets, including China, cloud computing services are typically offered through commercial presence in one of two ways. They are offered as an integrated service in which the owner and operator of a telecommunication network also offers computing services, including data storage and processing function, over that network, or they are offered as a stand-alone computer service, with connectivity to the computing service site provided separately by a telecommunications service supplier. Although China's commitments under the WTO General Agreement on Trade in Services (GATS) include services relevant to both of these approaches, neither one is currently open to foreign-invested companies in China.

In October 2024, the Ministry of Industry and Information Technology (MIIT) launched a pilot program in four free trade zones, including in Beijing and Shanghai, that is to allow foreign companies to wholly own and operate Internet data centers and content delivery networks. It is not clear whether or even how this program could result in any commercially meaningful market access openings. The United States will closely monitor developments in this area.

Audiovisual and Related Services

China prohibits foreign companies from providing film production and distribution services in China. In addition, China's restrictions in the area of theater services have wholly discouraged investment by foreign companies in cinemas in China.

Meanwhile, China's restrictions on services associated with television and radio greatly limit participation by foreign suppliers. For example, China prohibits retransmission of foreign TV channels, foreign investment in TV production, and foreign investment in TV stations and channels. China also imposes quotas on the amount of foreign programming that can be shown on a Chinese TV channel each day. In addition, in September 2018, the National Radio and Television Administration (NRTA) issued a problematic draft measure that would impose new restrictions in China's already highly restricted market for foreign creative content. It would require that spending on foreign content account for no more than 30 percent of available total programs in each of several categories, including foreign movies, TV shows, cartoons, documentaries, and other foreign TV programs, made available for display via broadcasting institutions and online audio-visual content platforms. It also would prohibit foreign TV shows in prime time. Although this measure has not yet been issued in final form, it continues to raise serious concerns, as it appears that, as a matter of practice, it has been implemented in China since 2021, including by online audio-visual content platforms.

Theatrical Films

In February 2012, the United States and China reached an alternative resolution with regard to certain rulings relating to the importation and distribution of theatrical films in a WTO dispute that the United States had won. The two sides signed a memorandum of understanding (MOU) providing for substantial increases in the number of foreign films imported and distributed in China each year, along with substantial additional revenue for U.S. film producers. However, China has not yet fully implemented its MOU commitments, including with regard to critical commitments to open up film distribution opportunities for imported films. As a result, the United States has been pressing China for full implementation of the MOU.

In 2017, in accordance with the terms of the MOU, the two sides began discussions regarding the provision of further meaningful compensation to the United States in an updated MOU. These discussions continued until March 2018, before stalling when China embarked on a major government reorganization that involved significant changes for China's Film Bureau. Discussions resumed in 2019 as part of the broader U.S.-China trade negotiations that began following a meeting between the two countries' Presidents on the margins of the Group of 20 Heads of State and Government Summit in Buenos Aires in December 2018. As of December 31, 2024, no agreement had been reached on the further meaningful compensation that China owes to the United States. The United States will continue pressing China to fulfill its obligations.

Online Video and Entertainment Services

China restricts the online supply of foreign video and entertainment services through measures affecting both content and distribution platforms, as part of its authoritarian governance structure. China requires foreign companies to license their content to Chinese companies and also imposes burdensome restrictions on content, which are implemented through exhaustive content review requirements that are based on vague and otherwise non-transparent criteria. With respect to distribution platforms, NRTA has required Chinese online platform suppliers to spend no more than 30 percent of their acquisition budget on foreign content. NRTA has also instituted numerous measures that prevent foreign suppliers from qualifying for a license, such as requirements that video platforms all be Chinese-owned. NRTA and other Chinese regulatory authorities have also taken actions to prevent the cross-border supply of online video services, which may implicate China's GATS commitments relating to video distribution.

Legal Services

China restricts the types of legal services that can be provided by foreign law firms, including through a prohibition on foreign law firms hiring lawyers qualified to practice Chinese law. It also restricts the ability of foreign law firms to represent their clients before Chinese Government agencies and imposes lengthy

delays on foreign law firms seeking to establish new offices. In addition, beginning with the version of China's Foreign Investment Negative List that entered into force in July 2020, China has added an explicit prohibition on the ability of a foreign lawyer to become a partner in a domestic law firm. Reportedly, China is also considering draft regulatory measures that would even further restrict the ability of foreign law firms to operate in China.

Express Delivery Services

The United States continues to have concerns regarding China's implementation of the 2009 Postal Law and related regulations through which China prevents foreign suppliers of express delivery services from participating fully in the document delivery market. Meanwhile, in the package market, China applies overly burdensome and inconsistent regulatory approaches and reportedly has provided more favorable treatment to Chinese service suppliers when awarding business permits. China also does not always allow foreign service suppliers to participate on an equal basis in the development of laws, regulations, and other measures, including standards, for the express delivery services sector, nor does China always publicly announce the requirements for obtaining a business license.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Data Restrictions

In 2024, China, continued to build out its expansive state control over the collection, storage, processing, and transfer of data outside of China, which is of particular concern given China's already widespread surveillance of people and industry. China's data regime is governed by a series of overarching laws such as China's Data Security Law, which entered into force in September 2021, and China's Personal Information Protection Law, which entered into force in November 2021. These laws operate together with the 2017 Cybersecurity Law, the 2015 National Security Law, and various implementing measures, including the 2022 Security Assessment Measures for Outbound Transfers of Data, to prohibit or severely restrict cross-border transfers of "important data." China has yet to provide a consistent and widely applicable definition of key terms like "important data" across industry sectors and Free Trade Zones (FTZs). The Cyberspace Administration of China (CAC) has deferred instead to sub-central and sectoral regulators to develop their own definitions. The CAC has also enabled FTZs to develop their own lists of "important data." This approach has led to conflicting definitions of the term "important data" throughout China, creating confusion for foreign companies. These laws and implementing measures also impose local data storage and processing requirements on companies operating in China that collect "important data" and, in certain cases, personal information. Among other things, China's data localization requirements put data at risk of access by the Chinese Government, given the Chinese Government's broad legal authority to compel companies to provide it with access to their data.

In March 2024, China's Provisions to Promote and Regulate the Cross-Border Flow of Data took effect. This measure addresses certain aspects of the Security Assessment Measures for Outbound Transfers of Data with more specificity, but significant U.S. concerns remain, including with regard to the issue of cross-border transfers of "important data." Recently, China has initiated several pilot projects in its FTZs relating to cross-border transfers of data, although it is not yet clear whether any meaningful changes will result.

Cross-border transfers of data are routine and fundamental to daily business operations across many sectors. Given the wide range of businesses and business activities that are dependent on cross-border transfers of data and flexible access to global computing facilities, China's restrictive measures continue to generate serious concerns in the United States and many other countries.

Secure and Controllable Information and Communication Technology Policies

Implementing measures for China's Cybersecurity Law remain a continued source of serious concern since the law's enactment in 2016. These measures are overly broad and serve to promote China's domestic industry at the expense of the industries of China's trading partners. Of particular concern are the Measures for Cybersecurity Review, first issued in 2016 and later updated in 2020 and again in 2021. This measure puts in place a review process to regulate the purchase of information and communications technology (ICT) products and services by critical information infrastructure operators and online platform operators in China. In addition, in September 2022, China published a draft revision of the Cybersecurity Law with a 15-day public comment period. The draft revision would introduce penalties on operators of critical information infrastructure who use products or services that have not undergone the required security review, and it would also raise fines for certain violations of the Cybersecurity Law.

As demonstrated in implementing measures for the Cybersecurity Law, China's approach is to impose severe restrictions on a wide range of U.S. and other foreign ICT products and services with an apparent goal of supporting China's technology localization policies by encouraging the replacement of foreign ICT products and services with domestic ones. U.S. and other foreign stakeholders and governments around the world have expressed serious concerns about requirements that ICT equipment and other ICT products and services in critical sectors be "secure and controllable," as these requirements are used by the Chinese Government to disadvantage foreign companies.

In addition to the Cybersecurity Law, China has referenced its "secure and controllable" requirements in a variety of measures dating back to 2013. Through these measures, China has mandated that Chinese information technology users purchase Chinese products and favor Chinese service suppliers, imposed domestic research and development (R&D) requirements, considered the location of R&D as a cybersecurity risk factor, and required the transfer or disclosure of source code or other IP. In the 2019 update of the Measures for Cybersecurity Review, China added political, diplomatic, and other "non-market" developments as potential risk factors to be considered.

In 2015, China enacted a National Security Law and a Counterterrorism Law, which include provisions citing not only national security and counterterrorism objectives but also economic and industrial policies. The State Council also published a plan in 2015 that sets a timetable for adopting "secure and controllable" products and services in critical government ministries by 2020.

Meanwhile, sector-specific policies under this broad framework continue to be proposed and deployed across China's economy. A high-profile example from December 2014 was a proposed measure drafted by the China Banking Regulatory Commission that called for 75 percent of ICT products used in the banking system to be "secure and controllable" by 2019 and that would have imposed a series of criteria that would shut out foreign ICT providers from China's banking sector. Not long afterwards, a similar measure was proposed for the insurance sector.

In 2015, the United States, in concert with other governments and stakeholders around the world, raised serious concerns about China's "secure and controllable" regime at the highest levels of government within China. During a state visit in September 2015 in Washington, D.C., the U.S. and Chinese Presidents committed to a set of principles for trade in information technologies. The issue also was raised in connection with the June 2015 S&ED meeting and the November 2015 JCCT meeting, with China making a series of additional important commitments with regard to technology policy. China reiterated many of these commitments at the November 2016 JCCT meeting, where it affirmed that its "secure and controllable" policies are not to unnecessarily limit or prevent commercial sales opportunities for foreign ICT suppliers or unnecessarily impose nationality-based conditions and restrictions on commercial ICT

purchases, sales or uses. China also agreed that it would notify relevant technical regulations to the WTO TBT Committee.

Again, however, China has not honored its promises. The numerous draft and final implementation measures issued by China since 2017 in the area of cybersecurity raise serious questions about China's approach to cybersecurity regulation. China's measures do not appear to be in line with China's prior commitments, and global stakeholders have grown even more concerned about the implications of China's ICT security measures across the many economic sectors that employ digital technologies.

Finally, the United States and U.S. stakeholders remain concerned about a nonpublic document authored by the State-owned Asset Supervision and Administration Commission (SASAC) in 2022. Known as Document 79, this document reportedly sets out timelines for using only secure and controllable ICT products in the ICT systems of the Chinese Government, the CCP, and state-owned enterprises. The nonpublic nature of Document 79 and China's lack of transparency with regard to a policy that affects a broad range of industries signal that China may be seeking to evade past commitments to the maintenance of a non-discriminatory, non-trade restrictive approach to cybersecurity regulation.

Encryption

Use of ICT products and services is increasingly dependent on robust encryption, an essential functionality for protecting privacy and safeguarding sensitive commercial information. Onerous requirements on the use of encryption, including intrusive approval processes and, in many cases, mandatory use of indigenous encryption algorithms (*e.g.*, for Wi-Fi and 4G cellular products), continue to be cited by stakeholders as a significant trade barrier in China.

In October 2019, China adopted a Cryptography Law that includes restrictive requirements for commercial encryption products that "involve national security, the national economy and people's lives, and public interest," which must undergo a security assessment. This broad definition of commercial encryption products that must undergo a security assessment raises concerns that the new Cryptography Law will lead to unnecessary restrictions on foreign ICT products and services. In August 2020, the State Cryptography Administration issued the draft Commercial Cryptography Administrative Regulations to implement the Cryptography Law. This draft measure did not address the concerns that the United States and numerous other stakeholders had raised regarding the Cryptography Law.

Going forward, the United States will continue to monitor implementation of the Cryptography Law and related measures. The United States will remain vigilant toward the introduction of any new requirements hindering technologically neutral use of robust, standardized encryption.

INVESTMENT BARRIERS

China seeks to protect many domestic industries through a restrictive investment regime. Many aspects of China's current investment regime continue to cause serious concerns for foreign investors. For example, China's Foreign Investment Law and implementing regulations, both of which entered into force in January 2020, perpetuate separate regimes for domestic investors and investments and foreign investors and investments.

There has also been a lack of substantial liberalization of China's investment regime, evidenced by the continued application of prohibitions, foreign equity caps and joint venture requirements, and other restrictions in certain sectors. China's most recent version of its Foreign Investment Negative List, which replaces the 2022 version and entered into force in November 2024, provides no meaningful reductions in

the significant investment restrictions that continue to apply in a number of areas important to foreign investors, such as key services sectors, certain types of agriculture and several extractive industries. With regard to services sectors, China maintains prohibitions or restrictions in key sectors such as cloud computing services and other Internet-related services, telecommunications services, film production and film distribution services, and video and entertainment software services. With regard to agriculture, China maintains prohibitions on the development of agricultural biotechnologies and restrictions on the development of new varieties of corn and wheat. Similarly, China maintains prohibitions on the exploration, mining, and processing of all of the 17 types of rare earths as well as tungsten.

China's Foreign Investment Law, implementing regulations, and other related measures suggest that China is pursuing the objective of replacing its case-by-case administrative approval system for a broad range of investments with a system that would only be applied to "restricted" sectors. However, it currently remains unclear whether China is fully achieving that objective in practice. Moreover, even for sectors that have been liberalized, the potential for heightened licensing requirements for foreign companies or the application of licensing processes that disadvantage foreign companies could make it difficult to achieve meaningful market access. In addition, the potential for a new and overly broad national security review mechanism, and the increasingly adverse impact of China's Cybersecurity Law, Data Security Law and Personal Information Protection Law and related implementing measures, have serious negative implications for foreign investors and investments. Foreign companies also continue to report that Chinese Government officials may condition investment approval on a requirement that a foreign company transfer technology, conduct R&D in China, satisfy performance requirements relating to exportation or the use of local content or make valuable, deal-specific commercial concessions.

Over the years, the United States has repeatedly raised concerns with China about its restrictive investment regime. Given that China's investment restrictions place pressure on U.S. companies to transfer technology to Chinese companies, they were a focus of USTR's Section 301 investigation. The responsive actions taken by the United States in that investigation are intended in part to address this concern.

In the past several years, the investment climate has turned unusually challenging, in large part because of actions taken by the Chinese Government. For example, purportedly in implementing amendments to China's Counterespionage Law that broaden the definition of espionage, Chinese security officials recently raided and detained staff at several multinational companies operating in China that help investors perform due diligence regarding existing or potential new investments in China. With no effective judicial recourse or other means for challenging these actions, investors have reported that their confidence in China has been severely damaged.

In August 2023, China's State Council released a new measure, titled Further Optimizing the Foreign Investment Environment and Enhancing the Attraction of Foreign Investment, in the apparent hope of attracting increased levels of foreign investment. Known as Document No. 11, this measure sets forth general guidance to central level ministries and sub-central government authorities on 24 topics related to foreign investment. China has issued similar guidance in the past without meaningfully following through.

SUBSIDIES

Industrial Subsidies

China continues to provide massive subsidies to its domestic industries, which have caused injury to U.S. industries and the industries of other WTO Members. Some of these subsidies also appear to be prohibited under WTO rules. Over the years, to the extent possible, the United States has sought to address these

subsidies through countervailing duty proceedings conducted by the U.S. Department of Commerce and dispute settlement cases at the WTO.

The United States and other WTO Members also have continued to press China to notify all of its subsidies to the WTO in accordance with its WTO obligations, while also submitting counter notifications listing hundreds of subsidy programs that China has failed to notify. Over the years, China's required WTO subsidy notifications have marginally improved at times in terms of timeliness and completeness but not consistently. Nevertheless, since joining the WTO more than 20 years ago, China has not yet submitted to the WTO a complete notification of subsidies maintained by the central government, and it did not notify a single sub-central government subsidy until July 2016, when it provided information largely only on sub-central government subsidies that the United States had challenged as prohibited subsidies in a WTO dispute. While China has notified a small number of sub-central government subsidies in its more recent subsidy notifications, these notifications are woefully inadequate and do not address the most distortionary sub-central government subsidies, such as the increasingly prolific, and very large, "government guidance funds" that can be found at all levels of government in China.

Separately, the United States has continued to pursue a series of proposals to reform the functioning of the WTO Committee on Subsidies and Countervailing Measures. These proposals have focused on ensuring that Members timely provide written responses to written questions regarding their subsidy programs.

Agricultural Domestic Support

For several years, China has been significantly increasing the value of domestic subsidies and other support measures for its agricultural sector. China maintains direct payment programs, minimum support prices for basic commodities, and input subsidies. China has implemented a cotton reserve system, based on minimum purchase prices, and cotton target price programs. In 2016, China established subsidies for starch and ethanol producers to incentivize the purchase of domestic corn, resulting in higher volumes of exports of processed corn products from China in 2017 and 2018. In addition, in 2022, China began encouraging soybean production through various support programs, such as through increased subsidies for crop rotations, awards to counties with high oilseed production, incentives to promote the intercropping of corn and soybeans, and subsidies for "demonstration farming" of soybeans on alkali and salty land.

There is also evidence that China subsidizes its livestock industry, including at the provincial and local government levels. For example, in the swine industry, state-owned banks offer large-scale swine operations discounted loans, while provincial and local governments offer preferential land deals and rail and utility consolidation. Meanwhile, in the dairy industry, provincial and local governments offer subsidies for milk and whole milk powder production.

China submitted a notification concerning domestic support measures to the WTO in May 2015, but it only provided information up to 2010. In December 2018, China notified domestic support measures for the period 2011-2016. This notification showed that China had exceeded its *de minimis* level of domestic support for soybeans (in 2012, 2014 and 2015), cotton (from 2011 to 2016), corn (from 2013 to 2016), rapeseed (from 2011 to 2013), and sugar (2012). The situation was likely even worse, as the methodologies used by China to calculate domestic support levels result in underestimates. Moreover, the support programs notified by China seemingly failed to account for support given at the sub-national level by provincial and local governments and, possibly, support administered through state-owned enterprises. In December 2022 and September 2024, China submitted additional notifications concerning domestic support measures for the years 2017 through 2022. These notifications show that China exceeded *de minimis* support for wheat, rice, and soybeans in 2017, 2018, and 2019. These notifications also show new payments under programs notified as production-limiting for soybeans and rice, which is in addition to previously notified production-limiting support for cotton and corn. China's most recent notifications seemingly not

only fail to address concerns raised with regard to notifications made in previous years, but also give rise to additional concerns with regard to how new support measures are classified.

In September 2016, the United States launched a WTO dispute challenging China's government support for the production of wheat, corn, and rice as being in excess of China's commitments. Like other WTO Members, China committed to limit its support for producers of agricultural commodities. China's market price support programs for wheat, corn, and rice appear to provide support far exceeding the agreed levels. This excessive support creates price distortions and skews the playing field against U.S. farmers. The WTO panel hearing the case issued its decision in February 2019, ruling that China's domestic support for wheat and rice was WTO-inconsistent. In July 2020, the United States submitted a request for authorization to suspend concessions and other obligations pursuant to Article 22 of the DSU on the ground that China had failed to bring its measures into compliance with its WTO obligations. After China objected to this request, the matter was referred to arbitration in accordance with Article 22 of the DSU. The arbitration is currently suspended, and the United States continues to closely monitor the operation of China's market price support programs for wheat and rice.

Fisheries Subsidies

It is estimated that China is the world's largest provider of harmful fisheries subsidies, with support exceeding \$4.2 billion annually. These subsidies contribute to overfishing and overcapacity that threatens global fish stocks. Indeed, China is the world's largest producer of marine capture fisheries and, in the years since its WTO accession, has continued to support its fishing fleet through subsidies and other market-distorting means. China's annual fisheries harvest is nearly double that of the next largest producer in the world in terms of marine capture and triple that of other top producers, like the United States, India, and Indonesia. At the same time, reports continue to emerge about Chinese-flagged fishing vessels engaging in illegal, unreported, and unregulated (IUU) fishing in distant waters, including in areas under the jurisdiction of other WTO Members. While China has made some progress in reducing subsidies to domestic fisheries, it continues to shift its overcapacity to international fisheries by providing a much higher rate of subsidy support to Chinese distant water fishery enterprises.

For several years, the United States has been raising its long-standing concerns over China's fisheries subsidies programs. In 2015, the United States submitted a written request for information pursuant to Article 25.8 of the WTO Agreement on Subsidies and Countervailing Measures (Subsidies Agreement). This submission addressed fisheries subsidies provided by China at central and sub-central levels of government. The subsidies at issue were set forth in nearly 40 measures and included a wide range of subsidies, including fishing vessel acquisition and renovation grants, grants for new fishing equipment, subsidies for insurance, subsidized loans for processing facilities, fuel subsidies, and the preferential provision of water, electricity, and land. When China did not respond to this request, the United States submitted an Article 25.10 counter notification covering these same measures. More recent subsidy notifications by China have been more fulsome, but still incomplete.

Going forward, the United States will continue to investigate the full extent of China's fisheries subsidies and will continue to press China to fully comply with its relevant WTO subsidy obligations. The United States also will urge WTO Members to support additional, ambitious disciplines on harmful fisheries subsidies as part of the further WTO negotiations on fisheries subsidies.

Excess Capacity

Because China employs a state-led approach to the economy and its economy is the second largest in the world, China is the world's leading offender in creating non-market excess capacity. For years, China has been responsible for maintaining severe and persistent excess capacity in several industries, including steel,

aluminum, solar, and shipbuilding. China is also creating severe excess capacity in other industries, such as electric vehicles and lithium-ion batteries, among others, through its pursuit of industrial plans such as Made in China 2025, pursuant to which the Chinese Government is providing hundreds of billions of dollars to support Chinese companies and requiring them to achieve preset targets for domestic market share – at the expense of imports – and global market share in each of 10 advanced manufacturing industries.

In manufacturing industries such as steel, aluminum, and shipbuilding, China's economic planners have contributed to massive excess capacity in China through various government support measures, often in furtherance of China's industrial targeting. For steel, the resulting over-production has distorted global markets, harming U.S. workers and manufacturers in both the U.S. market and third country markets, where U.S. exports of steel and steel-intensive products compete with exports from China. This over-production has similarly harmed the workers and manufacturers of many of the United States' allies and partners. While China has publicly acknowledged excess capacity in its steel and aluminum industries, it has yet to take meaningful steps to address the root causes of this problem in a sustainable way. Indeed, China continues to replicate these results in other industries.

From 2000 to 2023, China accounted for 73 percent of global steelmaking capacity growth, an increase well in excess of the increase in global and Chinese demand over the same period. Currently, China's capacity represents about one-half of global capacity and more than twice the combined steelmaking capacity of the EU, Japan, the United States, Canada, Mexico, and Brazil.

At the same time, China's steel production is continually reaching new highs, eclipsing demand. In 2020, China's steel production climbed above one billion metric tons for the first time, reaching 1,065 million metric tons, a seven percent increase from 2019, and remained high at 1,019 million metric tons in 2023, despite a significant contraction in domestic steel demand. This sustained ballooning of steel production, combined with weakening economic growth and a slowdown in the Chinese construction sector, has flooded the global market with excess steel and steel-intensive products at a time when steel and other manufacturing sectors outside of China are facing renewed weakness in market conditions, growing global excess capacity, a slowdown in world economic growth, and continued disruptions in supply chains. In 2023, China exported more steel than the world's second, third, fourth, and fifth largest steel producers (India, Japan, the United States, and Russia) combined. Furthermore, China's exports from January through August 2024 were 19 percent higher than during the same period in 2023. Today, China remains by far the world's largest exporter of steel and steel-intensive products. China's steel production also remains far dirtier in terms of greenhouse gas emissions than the steel production that it displaces in the United States and most other countries.

Excess capacity in China's steel sector boosts the price competitiveness of China's downstream manufacturing industries in global markets through the provision of artificially low-priced steel inputs. For example, in the shipbuilding sector, steel constitutes a significant percentage of a vessel's cost. However, reports indicate that Chinese steel is substantially cheaper than in market-oriented economies. For example, the OECD has noted that "Chinese steel prices are significantly lower than Japanese and European ones...in some periods up to 50% compared to...European prices and 60% lower than Japanese prices."

In its 2023 Results Report, the Global Forum on Steel Excess Capacity, a multilateral body facilitated by the OECD, found that "excess capacity in the Chinese steel industry is depressing domestic prices for crude steel products and encouraging production and indirect exports of steel-containing goods." In addition, according to the 2023 Results Report, "a situation where steel excess capacity starts to build in downstream sectors of the steel market . . . and artificially boost[s] the price competitiveness of those sectors is an additional cause of concern." Similarly, a study by the OECD reveals that China's exports of indirect steel products have increased steadily in the last decade while exports of similar products in major steel-making economies such as India, Japan, and the EU have remained stable or, in the case of the United States and

South Korea, declined. A rapid increase in Chinese exports of these products in 2017 coincided with a significant buildup of Chinese capacity and reduction in Chinese direct steel exports, leading the OECD to conclude that a substitution effect along the Chinese steel value chain may have taken place. Chinese exports of steel-intensive products continued to increase significantly in volume terms over the last five years.

State-directed mergers and acquisitions in the Chinese steel sector have been framed by China as a means for increasing efficiency and reducing excess capacity, but instead these measures have contributed to excess capacity. In 2009, the State Council issued the Steel Industry Adjustment and Revitalization Plan, which set a target of creating five large steel groups controlling 45 percent or more of total national production capacity, with at least 40 percent of production capacity concentrated along rivers and in coastal regions. This industrial plan and other industrial policy measures, including the 14th Five-Year Plan for Development of Raw Materials Industries (2021), the Guiding Opinion Regarding Promoting High Quality Development in the Steel Industry (2022), and the Work Plan for Stable Growth in the Steel Industry (2023), also refer to “capacity replacement policy support” for steel producers engaging in mergers and reorganizations. This policy support effectively exempted these enterprises from otherwise stated prohibitions on new projects without elimination of an equal or greater amount of existing capacity.

Despite an acknowledgement by the State Council of the significant growth in “surplus production capacity” in China’s steel sector as far back as 2009, China’s crude steelmaking capacity continued to increase, rising from 980 million metric tons in 2009 to 1.142 billion metric tons in 2023. During this period, China’s state-owned steel producers increased production and market shares, both in the China market and in global markets. In addition, between 2009 and 2023, the shares of domestic crude steel production and global crude steel production attributable to the top four state-owned steel producers in China alone increased from 14.1 percent to 25.8 percent and from 6.5 percent to 13.9 percent, respectively.

Similarly, primary aluminum production capacity in China increased by more than 1,600 percent between 2000 and 2023, with China accounting for 80 percent of global capacity growth during that period. China’s expansion of production capacity has driven price declines globally, but even with these low prices, China has continued to expand its production capacity. Much of this additional capacity has been built with government support and relies on GHG emissions-intensive sources of electricity. China’s primary aluminum capacity accounts for 57 percent of global capacity and is more than double the capacity of the next eight aluminum-producing countries combined. As in the steel sector, China’s aluminum production has also ballooned in recent years, as China’s aluminum production has continued to increase despite domestic and global demand shocks. China’s capacity and production continue to contribute to major imbalances and price distortions in global markets, harming U.S. and allied aluminum producers and workers.

In China’s shipbuilding sector, non-market policies and practices have led to a significant build up in excess capacity, undercutting foreign competition and consolidating China’s dominant position globally. In a 2021 report, the OECD found that entry subsidies provided by the Chinese Government attracted inefficient enterprises and led to market fragmentation and excess capacity in the shipbuilding sector, while the introduction of production and investment subsidies in combination with sub-optimal exit strategies for inefficient enterprises exacerbated these outcomes. As a result, Chinese shipbuilders increased their share of all merchant tonnage produced globally from 5 percent in 1999 to over 50 percent in 2023, increasing China’s ownership of the global commercial fleet to 19 percent, while securing control of 95 percent of shipping containers and 86 percent of the world’s supply of intermodal chassis, among other components and products.

Excess capacity in China hurts various U.S. industries and workers not only through direct exports from China to the United States, but also through its impact on global prices and supply and through indirect

trade of steel and aluminum-intensive products, which makes it difficult for competitive manufacturers throughout the world to remain viable. Indeed, domestic industries in many of China's trading partners continue to petition their respective governments to impose trade measures to respond to the trade-distortive effects of China's excess capacity. In addition, the United States has acted under Section 232 of the Trade Expansion Act of 1962 to impose additional duties on steel, aluminum, and derivative steel and aluminum products after finding that these products are being imported into the United States in such quantities and under such circumstances as to threaten to impair U.S. national security. In the United States' view, in the absence of efforts to redress China's anticompetitive behavior, the risk is that steel and aluminum producers in the United States and many other countries with market-oriented economies will be forced to close, which would, among other things, create even greater dependencies on China.

Over the past year, the world has been reminded that the non-market policies and practices that emanate from China's state-led industrial plans often generate severe and persistent excess capacity, sometimes even when China is not targeting a particular industry for domestic and global dominance. At present, the world is seeing excess capacity emerge in more and more Chinese industries in a dynamic that economists are labeling "China Shock 2.0." Faced with an acute crisis in the real estate sector and struggling manufacturers coming out of the COVID pandemic, governments at all levels in China have increased their financial and regulatory support for manufacturers in traditional industries like steel, aluminum, household appliances, fertilizers, and machine tools, as well as for manufacturers in emerging, high technology industries. These interventions have led to production well in excess of domestic demand in many sectors, and, in some sectors, such as solar, three or four times the level of global demand. In all of these sectors, with domestic demand in China remaining weak, a wide range of low-priced manufactured goods have been flooding export markets. As discussed above, given China's economic size as the second largest economy in the world and the largest trader among WTO Members, China's excess capacity has global implications, and those implications are broadly negative for China's trading partners, as the world is seeing with China Shock 2.0.

ANTICOMPETITIVE PRACTICES

As previously reported, China's implementation of the Anti-Monopoly Law has generated various concerns. A key concern is the extent to which the Anti-Monopoly Law is applied to state-owned enterprises. While Chinese regulatory authorities have clarified that the Anti-Monopoly Law does apply to state-owned enterprises, they have brought enforcement actions primarily against provincial government-level state-owned enterprises, rather than central government-level state-owned enterprises under the supervision of SASAC. Moreover, the enforcement actions that do take place, along with any corresponding penalties imposed, are not open and transparent to the public. In addition, provisions in the Anti-Monopoly Law protect the lawful operations of state-owned enterprises and government monopolies in industries deemed nationally important.

Another key concern relates to how the Anti-Monopoly Law is applied to foreign companies. Many U.S. companies have cited selective enforcement of the Anti-Monopoly Law against foreign companies seeking to do business in China as a major concern, and they have highlighted in particular the comparatively limited enforcement of this law against state-owned enterprises.

Still another concern expressed by U.S. industry relates to how draft implementing rules for the Anti-Monopoly Law define anti-competitive behavior in the development of standards and the licensing and implementation of standards-essential patents. U.S. industry is concerned that Anti-Monopoly Law enforcement will be misused for the purpose of depressing the value of foreign-owned IP in key technologies, including by finding Anti-Monopoly Law violations with regard to the licensing of patents in the absence of actual harm to competition or the competitive process.

U.S. industry has also expressed serious concern about insufficient predictability, due process, and transparency in Anti-Monopoly Law investigative processes of foreign companies. For example, U.S. industry reports that, through the threat of steep fines and other penalties, China's regulatory authorities have pressured foreign companies to "cooperate" in the face of unspecified allegations and have discouraged or prevented foreign companies from bringing counsel to meetings. In addition, U.S. companies continue to report that the Chinese regulatory authorities sometimes make "informal" suggestions regarding appropriate company behavior, including how a company is to behave outside China, strongly suggesting that a failure to comply may result in investigations and possible punishment. More recently, high-level policy statements suggest increased Anti-Monopoly Law enforcement where technology owned or controlled by foreign companies allegedly implicates national security concerns or implicates technology being prioritized for indigenous innovation in China.

Given the state-led nature of China's economy, the need for careful scrutiny of anticompetitive government restraints and regulation is high. The Anti-Monopoly Law's provisions on the abuse of administrative (*i.e.*, government) power are potentially important instruments for reducing the government's interference in markets and for promoting the establishment and maintenance of increasingly competitive markets in China. The State Council's adoption of the Opinions on Establishing a Fair Competition Review System in 2016 reflected a widening of oversight by China's anti-monopoly enforcement agencies over undue government restraints on competition and anticompetitive regulation of competition. Increased oversight in this area was also reflected in the amendments to the Anti-Monopoly Law in 2022, which included a new chapter regarding the abuse of administrative monopoly. The SAMR has since issued draft rules regarding the abuse of administrative monopoly, and SAMR has also identified the elimination of administrative monopolies as an enforcement priority. It remains to be seen whether SAMR will have sufficient authority and resources to implement this enforcement priority robustly.

STATE-OWNED ENTERPRISES

While many provisions in China's WTO accession agreement indirectly discipline the activities of state-owned and state-invested enterprises, China also agreed to some specific disciplines. In particular, it agreed that laws, regulations, and other measures relating to the purchase of goods or services for commercial sale by state-owned and state-invested enterprises, or relating to the production of goods or supply of services for commercial sale or for non-governmental purposes by state-owned and state-invested enterprises, would be subject to certain specified WTO rules. China also affirmatively agreed that state-owned and state-invested enterprises would have to make purchases and sales based solely on commercial considerations, such as price, quality, marketability, and availability, and that the Chinese Government would not directly or indirectly influence the commercial decisions of state-owned and state-invested enterprises. In addition, China agreed that enterprises of other WTO Members would have an adequate opportunity to compete for sales to and purchases from state-owned and invested enterprises on non-discriminatory terms and conditions.

In subsequent bilateral dialogues with the United States, China made further commitments. In particular, China committed to develop a market environment of fair competition for enterprises of all kinds of ownership and to provide them with non-discriminatory treatment in terms of credit provision, taxation incentives, and regulatory policies.

However, instead of adopting measures giving effect to its commitments, China took steps intended to strengthen the role of state-owned and state-invested enterprises in the economy and to protect them against foreign competition. China established the SASAC and adopted the Law on State-owned Assets of Enterprises, in addition to numerous other measures that mandate state ownership and control of many

important industrial sectors. The CCP also ensured itself a decisive role in state-owned and state-invested enterprises' major business decisions, personnel changes, project arrangements, and movement of funds. The fundamental premise of these measures is to enable the Chinese Government and the CCP to intervene in the business strategies, management, and investments of these enterprises in order to ensure that they play a dominant role in the national economy in line with the overall objective of developing China's "socialist market economy" and China's plans for industrial domination. Over the past few years, Party leadership in state-owned and state-invested enterprises has been strengthened through practices such as appointing a person as both the chairman of the board and the Party secretary for a state-owned enterprise and requiring the establishment of party committees in state-owned enterprises.

In its 2013 Third Plenum Decision, China endorsed a number of far-reaching economic reform pronouncements, which called for making the market "decisive" in allocating resources, reducing Chinese Government intervention in the economy, accelerating China's opening up to foreign goods and services and improving transparency and the rule of law to allow fair competition in China's market. It also called for "reforming" China's state-owned and state-invested enterprises.

However, rather than actually embrace the role of the market, China sought to strengthen the role of the state in the economy, including the role of state-owned enterprises in the economy. Statements by China's President also made clear that China continues to view the role of the state very differently from the United States and other market economies. In October 2016, China's President called for strengthening the role of the CCP in state-owned enterprises and emphasized that state-owned enterprises should be "important forces" to implement national strategies and enhance national power. More broadly, in February 2019, in an article in a CCP journal, China's President further called for the strengthening of the Party's "leadership over the rule of law," and he vowed that China "must never copy the models or practices of other countries" and "we must never follow the path of Western 'constitutionalism,' 'separation of powers' or 'judicial independence.'"

With regard to the reform of China's state-owned enterprises, one example of China's efforts included an announcement that China would classify these enterprises into commercial, strategic, or public interest categories and require commercial state-owned and state-invested enterprises to garner reasonable returns on capital. However, this plan also allowed for divergence from commercially driven results to meet broadly construed national security interests, including energy and resource interests and cyber and information security interests. In recent years, China has also sought to strengthen the role of its state-owned enterprises in a number of sectors through mergers to create larger, consolidated, and more powerful enterprises, while also increasing the investment of state capital into sectors that the state deems strategic. Similarly, in recent years, China has pursued reforms through efforts to realize "mixed ownership." These efforts included largely unsuccessful attempts to pressure private companies to invest in, or merge with, state-owned and state-invested enterprises as a way to inject innovative practices into and create new opportunities for inefficient state-owned and state-invested enterprises. Plainly, none of these various reforms have strengthened the role of the market. Rather, they have strengthened the role of state-owned enterprises in the economy while directing increasing amounts of state capital toward certain industries, including those specified in Made in China 2025, in pursuit of China's industrial domination objectives.

Previously, China had also indicated that it would consider adopting the principle of "competitive neutrality" for state-owned enterprises. However, China has continued to pursue policies that further enshrine the dominant role of the state and its industrial plans when it comes to the operation of state-owned and state-invested enterprises. For example, China has adopted rules ensuring that the Chinese Government continues to have full authority over how state-owned and state-invested enterprises use allocations of state capital and over the projects that state-owned enterprises pursue.

Overall, while China's efforts at times have appeared to signal a high-level determination to accelerate needed economic reforms, those reforms have not materialized. Indeed, the Chinese Government's role in the economy has only increased. It also seems clear that China's past policy initiatives were not designed to reduce the presence of state-owned and state-invested enterprises in China's economy or to force them to compete on the same terms as private commercial operators. Rather, the reform objectives were to strengthen state-owned and state-invested enterprises through consolidation, increased access to state capital, preferential access to goods and services and the use of other non-market policies and practices designed to give these enterprises unfair competitive advantages, both in China and globally.

This unfair situation is made worse for foreign companies. Like China's state-owned and state-invested enterprises, China's private companies also benefit from a wide array of state intervention and support designed to promote the development of China's domestic industries in accordance with China's industrial domination objectives. These interventions and support are deployed in concert with other non-market policies and practices that restrict, take advantage of, discriminate against, or otherwise create disadvantages for foreign companies and their technologies, products, and services.

LABOR

The Chinese Government represses internationally recognized labor rights and fails to adequately enforce existing prohibitions on forced labor. China has been the subject of international attention for its forced labor practices, especially in the Xinjiang Uyghur Autonomous Region (XUAR), where China has arbitrarily detained more than one million Uyghurs and other mostly Muslim minorities. Victims, news media, and think tanks report that factories frequently engage in coercive recruitment, limit workers' freedom of movement and communication, and subject workers to constant surveillance, retribution for religious beliefs, exclusion from community and social life, and isolation. It is currently estimated that hundreds of thousands of Uyghurs, ethnic Kazakhs, and members of other Muslim minority groups are being subjected to forced labor in China following detention. Based on the U.S. Government's independent analysis of these sources, the U.S. Government has taken several actions to address forced labor and other human rights abuses in the XUAR.

Over the years, the Customs and Border Protection of the U.S. Department of Homeland Security has issued several withhold release orders (WROs) pursuant to Section 307 of the Tariff Act of 1930 based on information that reasonably indicates the use of detainee or prison labor and situations of forced labor in the XUAR. One of them, issued in January 2021, was a region-wide WRO on cotton and tomato products and all downstream goods containing those products.

In July 2020, the United States issued a Xinjiang Supply Chain Business Advisory for U.S. businesses whose supply chains run through the XUAR. The United States updated this advisory in July 2021. As updated, the advisory calls urgent attention to U.S. businesses' supply chain risks and identifies investing and sourcing considerations for businesses and individuals with exposure to entities engaged in forced labor and other human rights abuses linked to the XUAR. The advisory also describes U.S. Government actions taken to counter the use of forced labor in the XUAR and to prohibit the importation of goods produced in whole or in part with forced labor or convict labor. In September 2023, the United States issued an addendum to the updated advisory to further highlight reports on state-sponsored forced labor and human rights abuses in the XUAR as well as to stress the urgency for businesses to undertake appropriate due diligence measures.

In December 2021, the Uyghur Forced Labor Prevention Act (UFLPA) entered into force. Among other things, it established a rebuttable presumption that the importation of goods from the XUAR is prohibited under Section 307 of the Tariff Act of 1930. This rebuttable presumption took effect in June 2022.

The United States also published a UFLPA Enforcement Strategy in June 2022 and subsequently published updates in August 2023 and July 2024. This Enforcement Strategy takes into account input received from private individuals, industry associations, consultancy and risk-management companies, civil society organizations, non-governmental organizations (NGOs), labor unions, and others who shared their views on potential measures to prevent the importation into the United States of goods mined, produced, or manufactured wholly or in part with forced labor in China. The main components of the Enforcement Strategy include: (1) an assessment of the risk of importing goods made with forced labor in China, (2) the development of the UFLPA Entity List and descriptions of forced-labor schemes, (3) recommendations for efforts, initiatives, and tools to identify and trace the origin of goods, (4) a description of relevant legal authorities and tools to prevent entry of violative goods, (5) a description of resources, (6) the development of importer guidance, and (7) the development of a coordination plan with NGOs and the private sector.

The Forced Labor Enforcement Task Force (FLETF) member agencies, including USTR, have been working to compile and update the UFLPA Entity List, a consolidated register of four distinct lists, including: (1) a list of entities in the XUAR that mine, produce, or manufacture wholly or in part any goods, wares, articles, and merchandise with forced labor; (2) a list of entities that work with the government authorities of the XUAR to recruit, transport, transfer, harbor, or receive forced labor or Uyghurs, Kazakhs, Kyrgyz or members of other persecuted groups out of the XUAR; (3) a list of entities that export products mined, produced, or manufactured by entities in lists 1 or 2 above from China into the United States; and (4) a list of facilities and entities, including the Xinjiang Production and Construction Corps, that source material from the XUAR or from persons working with the government in the XUAR or the Xinjiang Production and Construction Corps for purposes of the “poverty alleviation” program or the “pairing assistance” program or any other government labor scheme that uses forced labor. As of December 31, 2024, over 100 entities had been added by the U.S. Government to the UFLPA Entity List.

There is no evidence that China has taken any steps toward eliminating forced labor practices and human rights abuses in the XUAR. Indeed, China’s initial response was to conduct raids and impose significant restrictions on U.S. and other foreign consulting companies in China that provide due diligence for foreign investors. Subsequently, China began retaliating against multinational companies that have heeded the Xinjiang Business Advisory and complied with the UFLPA Enforcement Strategy, particularly when these companies have announced their plans publicly. For example, China has actively discouraged Chinese consumers from purchasing the products made by several of these companies. China even initiated an investigation into one large U.S. apparel company for “violating normal market trading practices” because this company made a public pledge to move its cotton sourcing out of the XUAR. Depending on its outcome, this retaliatory investigation could potentially result in the company being placed on China’s so-called “Unreliable Entity List” and being subjected to penalties.

Separately, in June 2022, the President issued the Memorandum on Combating Illegal, Unreported, and Unregulated Fishing (IUU) and Associated Labor Abuses. This Memorandum notes that, if left unchecked, IUU fishing and associated labor abuses threaten the livelihoods and human rights of fishers around the world and will undermine U.S. economic competitiveness, national security, and fishery sustainability. In December 2022, the U.S. Department of Treasury sanctioned individuals associated with China’s distant water fishing vessels for serious human rights abuse, including forced labor, of workers aboard these vessels.

It also remains concerning that China does not adhere to certain other internationally recognized labor standards, including freedom of association and effective recognition of the right to collective bargaining. Chinese law provides for the right to associate and form a union, but does not allow workers to form or join an independent union of their own choosing. Unions must affiliate with the official All-China Federation of Trade Unions (ACFTU), which is under the direction of the CCP. Workers at enterprises in China are

required to accept the ACFTU as their representative. They cannot instead select another union or decide not to have any union representation. Only collective bargaining through the ACFTU is permitted, and there is no legal obligation for an employer to bargain in good faith. Striking is also prohibited.

ENVIRONMENT

Effect of Import Ban on Scrap Materials, Recyclable Materials, and on Recycling Markets

Currently, China restricts almost all imports of unprocessed scrap and recyclable materials. China only allows imports of certain processed materials, including “recycled raw materials” such as copper, steel, aluminum and brass that meet purity standards, pelletized scrap plastic, and pulped scrap paper. These restrictions have contributed to increased costs for recycling in the United States and the decisions by some communities to terminate some of their recycling programs. Because China was previously such a large destination market, significant amounts of U.S. scrap materials are being redirected to landfills or incinerators.

Since 2017, China has issued numerous measures that limit or ban imports of most scrap and recovered materials, such as certain types of plastic, paper, and metals. China has also employed import licensing and inspection measures to restrict imports of scrap materials. Notably, China does not universally apply similar restrictions to domestic processors of domestically sourced scrap and recovered materials.

In 2020, China amended the Law on the Prevention and Control of Environmental Pollution by Solid Waste. According to this amended law, the intent is to reduce imports of solid waste essentially to zero.

U.S. exports to China of the unprocessed scrap and recovered materials covered by China’s restrictive measures totaled \$479 million in 2016, the year before China started to pursue its more restrictive policies. Since then, U.S. exports of these materials to China have been significantly reduced.

In addition to impacting the global market for scrap and recovered materials, the tightened restrictions have raised the costs of recycling in the United States, as exporters seek domestic processing facilities or international buyers. Additionally, other countries, particularly in Southeast Asia, have introduced their own regulatory changes that in some ways parallel the changes in China’s import regime, such as by setting impossibly high purity standards for recyclable materials, imposing new import licensing requirements and requiring pre-shipment and post-shipment inspections. As a result, significant amounts of U.S. scrap materials and recyclable materials have not found new buyers, leading to increased landfilling, incineration, and air pollution and increased demand for virgin materials globally.

Import Ban on Remanufactured Products

China prohibits the importation of remanufactured products, which it typically classifies as used goods. China also maintains restrictions that prevent remanufacturing process inputs (known as cores) from being imported into China’s customs territory, except special economic zones. These import prohibitions and restrictions undermine the development of industries in many sectors in China, including mining, agriculture, healthcare, transportation, and communications, because companies in these industries are unable to purchase high-quality, lower-cost remanufactured products produced outside of China. Nevertheless, China is apparently prepared to pay this price in order to limit imports of remanufactured goods.

OTHER BARRIERS

Export Restraints

Over the years, China has deployed a combination of export restraints, including export quotas, export licensing, minimum export prices, export duties, and other restrictions, on a number of raw material inputs where it holds the leverage of being among the world's leading producers. In many instances, through these export restraints, it appears that China has been able to provide substantial economic advantages to a wide range of downstream producers in China at the expense of foreign downstream producers, while creating pressure on foreign downstream producers to move their operations, technologies, and jobs to China.

In 2013, China removed its export quotas and duties on several raw material inputs of key interest to the U.S. steel, aluminum, and chemicals industries after the United States won a dispute against China at the WTO. In 2014, the United States won a second WTO dispute, focusing on China's export restraints on rare earths, tungsten, and molybdenum, which are key inputs for a multitude of U.S.-made products, including hybrid automobile batteries, wind turbines, energy-efficient lighting, steel, advanced electronics, automobiles, petroleum, and chemicals. China removed those export restraints in 2015. In 2016, the United States launched a third WTO dispute challenging export restraints maintained by China. The challenged export restraints include export quotas and export duties maintained by China on various forms of 11 raw materials, including antimony, chromium, cobalt, copper, graphite, indium, lead, magnesia, talc, tantalum, and tin. These raw materials are key inputs in important U.S. manufacturing industries, including aerospace, automotive, construction, and electronics. While China appears to have removed the challenged export restraints, the United States has continued to monitor the situation and finds it deeply concerning that the United States needed to bring multiple disputes to address the same WTO compliance issues.

A newer concern involves China's expanding regulation of rare earths. Since November 2023, China has been requiring exporters to provide detailed reporting on transactions involving rare earths. In addition, in June 2024, the Ministry of Industry and Information Technology (MIIT) issued the Regulations on the Administration of Rare Earths, which covers the mining, refining and separation, metal smelting, and usage of rare earths. The regulations mandate a detailed "tracing" system to track the mining, production, refining, transfer, and end-use of rare earths. Foreshadowing possible future regulation of rare earths under China's export control regime, this measure also provides that rare earth exporters need to abide by laws and regulations in the area of export controls.

Over the last two years, China has been ramping up its use of export controls and various designation lists to target the supply chains of the United States and its allies, as China has weaponized its export controls, primarily targeting the U.S. defense industrial base and critical minerals that have wide-ranging commercial uses. China began applying its export control regime to various critical minerals in 2023 by requiring export licenses for products containing gallium, germanium, and graphite, followed by antimony and products and technologies essential to the production of superhard materials in 2024. China has tied the basis for these export controls to national security and international nonproliferation obligations. However, many of the export controls are broadly scoped and encumber legitimate commercial trade. China's legal regime also provides for the extraterritorial reach of the export controls, creating potential downstream impact. In addition, under the 2020 Export Control Law, China explicitly authorizes the imposition of export controls as a retaliatory measure against countries determined to be harming China's national security or interests.

In November 2021, China announced an export ban on certain fertilizers. In June 2024, China imposed further export restrictions on fertilizers. Despite repeated requests from its trading partners to lift this export

ban and help address growing international concern over rising commodity prices and disrupted global supply chains, China continues to impose this export ban.

Finally, since 2002, China has maintained a distinct administrative system for control over technology transfer under the Regulation on the Administration of Technology Import and Export. The technology transfer control regime established by this measure governs the overseas transfer of technologies by trade, investment, or economic or technological cooperation and includes intellectual property, licensing, trade secrets, and technology services of technologies listed in the Catalogue of Technologies Prohibited and Restricted from Export, which was most recently updated in December 2023. Technologies that are “prohibited” cannot be exported, while “restricted” technologies require a license for export. Unlike the Export Control Law, which aims to safeguard “national security and interests” and to ensure “non-proliferation and other international obligations,” the stated goal of the Regulation on the Administration of Technology Import and Export is “enhancing the national economic growth and scientific development.” The Catalogue of Technologies Prohibited and Restricted from Export prohibits or restricts the export of an array of technologies in areas such as rare earth extraction and separation, cryptography, and traditional Chinese medicine processing.

Value-Added Tax Rebates and Related Policies

As in prior years, in 2024, the Chinese Government attempted to manage the export of many primary, intermediate, and downstream products by raising or lowering the VAT rebate available upon export. China sometimes reinforces its objectives by imposing or retracting export duties. These practices have caused tremendous disruption, uncertainty, and unfairness in the global markets for some products, particularly downstream products for which China is a leading world producer or exporter, such as products made by the steel, aluminum, and soda ash industries. These practices, together with other policies, such as excessive government subsidization, have also contributed to severe excess capacity in these same industries.

An apparently positive development took place at the July 2014 S&ED meeting, when China committed to improve its VAT rebate system, including by actively studying international best practices, and to deepen communication with the United States on this matter, including regarding its impact on trade. Once more, however, this promise remains unfulfilled. China has not made any movement toward the adoption of international best practices.

Trade Remedies

As of December 31, 2024, China had 11 ongoing antidumping investigations and 108 antidumping measures in place, affecting imports from 17 countries or regions. China also had one ongoing countervailing duty investigation and four countervailing duty measures in place, affecting imports from two countries or regions. In addition, China had one ongoing safeguard investigation.

The most significant systemic shortcomings in China’s antidumping and countervailing duty practice continue to be in the areas of transparency and due process. Over the years, China has often utilized antidumping and countervailing duty investigations as more of a retaliatory tool than as a mechanism to nullify the effects of dumping or unfair subsidization within its domestic market. In response, the United States has pressed China bilaterally, in WTO meetings and through written comments submitted in connection with pending antidumping and countervailing duty proceedings to adhere strictly to WTO rules in the conduct of its trade remedy investigations.

The conduct of antidumping investigations by China’s Ministry of Commerce (MOFCOM) continues to fall short of full commitment to the fundamental tenets of transparency and procedural fairness embodied in the WTO Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade

1994, commonly known as the Antidumping Agreement. The United States and other WTO Members accordingly have expressed concerns about key lapses in transparency and due process in China's conduct of antidumping investigations. The principal areas of concern include: MOFCOM's inadequate disclosure of key documents placed on the record by domestic Chinese producers; insufficient disclosures of the essential facts underlying MOFCOM decisions, such as dumping margin calculations and evidence supporting injury and dumping conclusions; MOFCOM's failure to issue supplemental questionnaires in instances where MOFCOM identifies information deficiencies; the improper rejection of U.S. respondents' reported cost and sales data; the unjustified use of facts available; and MOFCOM's failure to adequately address critical arguments or evidence put forward by interested parties. These aspects of China's antidumping practice have been raised with MOFCOM in numerous proceedings at the WTO over the past several years.

In certain past antidumping investigations of U.S. imports, China has determined – without legal or factual support – that costs and prices in certain U.S. markets are distorted, and therefore unusable, because of so-called “non-market situations.” China is again exploring whether a “non-market situation” exists in certain U.S. energy sectors in its ongoing antidumping investigation of polyoxymethylene copolymer from the United States. A preliminary determination in this investigation is expected in early 2025.

A review of China's conduct of countervailing duty investigations makes clear that, as in the antidumping area, China has failed to adequately improve its transparency and due process when conducting these investigations. In addition, the United States has noted procedural concerns specific to China's conduct of countervailing duty investigations. For example, in recent years, China has initiated investigations of alleged subsidies that raised concerns, given the requirements regarding “sufficient evidence” in Article 11.2 of the Subsidies Agreement. The United States is also concerned about China's application of facts available under Article 12.7 of the Subsidies Agreement.

On several occasions in the past, the United States has expressed serious concerns about China's pursuit of antidumping and countervailing duty remedies that appear to be retaliatory and intended to discourage the United States and other trading partners from the legitimate exercise of their rights under WTO antidumping and countervailing duty rules and the trade remedy provisions of China's accession agreement. It also appears that China has used arbitrary economic and trade measures, including antidumping and countervailing duty investigations, as a form of economic coercion designed to achieve China's political goals. The antidumping and countervailing duties that China imposed on imports of Australian barley in 2021 and the antidumping duties that China imposed on imports of Australian wine in 2021 are two obvious examples of this tactic, as China used them to express dissatisfaction with political statements and actions taken by the Australian government. More recently, in 2024, China launched antidumping investigations of imports of brandy, pork, and dairy products from the EU as the EU's anti-subsidy investigation of Chinese electric vehicle imports proceeded.

In certain recent investigations of U.S. imports, China has also made determinations without legal or factual support. For example, in the final countervailing duty determination on imports of n-propanol from the United States, China found that alleged subsidies to the U.S. oil and gas sector automatically passed through to petrochemical products without providing the analysis required by the Subsidies Agreement.

Pharmaceuticals

For several years, the United States has pressed China on a range of pharmaceuticals issues. These issues have related to matters such as overly restrictive patent application examination practices, regulatory approvals that are delayed or linked to extraneous criteria, weak protections against the unfair commercial use and unauthorized disclosure of regulatory data, issues with the implementation of an efficient mechanism to resolve patent infringement disputes, requirements to share ownership with a Chinese partner

of patent rights arising from research generated by using human genetic resources in China, and implementation of patent term extensions for unreasonable marketing approval delays, including limits on the type of protection provided. While China has implemented some helpful reforms, the United States still has many of the same concerns with China's pharmaceutical market, especially as it pertains to treatment of foreign companies.

In its WTO accession agreement, China committed to provide effective protection against unfair commercial use and unauthorized disclosure of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products. To provide this protection, known as regulatory data protection (RDP), China committed to enact laws and regulations to ensure that no person, other than the submitter of the data, could rely on the submitted data in a product approval application without permission from the submitter for six years from the date on which China granted marketing approval to the submitter.

In 2017, CFDA finally issued several draft notices addressing the issue of RDP. These draft notices set out a conceptual framework to protect against the unfair commercial use and unauthorized disclosure of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products, and they also sought to promote the efficient resolution of patent disputes between right holders and the producers of generic pharmaceuticals. However, the proposed framework did not provide for a six-year period of RDP despite the commitment that China had made in its WTO accession agreement in 2001.

In 2018, CFDA's successor agency, NMPA, issued draft Drug Registration Regulations and draft implementing measures on drug trial data that would preclude or condition the duration of RDP on whether clinical trials occur in China and whether marketing approval is sought first in China. Subsequently, China issued a revised Drug Administration Law in 2019, followed by NMPA's revised draft Drug Registration Regulations in 2020 and NMPA's revised draft Drug Administration Law Implementing Regulations in 2021. Despite the opportunities that these revised draft measures afforded China's regulatory authorities, the concerning limitations on RDP were not removed, and China still has not created a regulatory framework providing for the six-year period of RDP as it had committed to do in 2001.

Since 2018, volume-based procurement has presented a new market access complication for foreign suppliers of pharmaceuticals, largely because of the opaque and unpredictable nature of the bidding processes. In November 2018, a National Drug Centralized Procurement Pilot Scheme was launched. Then, in January 2019, the State Council issued a Pilot Plan for National Centralized Drug Procurement and Use. In January 2023, China's National Healthcare Security Administration (NHSA) published the 2022 edition of its annual National Reimbursement Drug List (NRDL), which became effective in March 2023. U.S. industry also cites the need for increased transparency and greater harmony between national and provincial bidding processes as well as a greater emphasis on a competitive, market-based approach to evaluating a product's value and relevant bids. In December 2022, NHSA and CNIPA jointly issued the Opinions on Strengthening the Protection of Intellectual Property Rights in the Field of Centralized Pharmaceutical Procurement, which sets out to establish a coordination mechanism to remove patent-infringing drugs from the NRDL, with further implementing measures to follow.

As part of the Phase One Agreement, the two sides agreed that China would establish a nationwide mechanism for the early resolution of potential pharmaceutical patent disputes that covers both small molecule drugs and biologics, including a cause of action to allow a patent holder to seek expeditious remedies before the marketing of an allegedly infringing product. Separately, the agreement also provides for patent term extensions to compensate for unreasonable patent and marketing approval delays that cut into the effective patent term as well as for the use of supplemental data to meet relevant patentability criteria for pharmaceutical patent applications. The United States and China agreed to address data protection for pharmaceuticals in future negotiations.

In October 2020, China amended the Patent Law to provide for patent term extensions for unreasonable patent and marketing approval delays, and it also added a mechanism for the early resolution of potential patent disputes, known as patent linkage. Implementing measures for the patent linkage mechanism were issued in July 2021, as NMPA and CNIPA jointly issued the Trial Implementation Measures for the Mechanism for Early Resolution of Drug Patent Disputes and the Supreme People's Court issued the Regulations on Several Issues Concerning the Application of Law in the Trial of Civil Patent Disputes Related to Drug Registration Application. In 2021 and 2022, CNIPA issued draft implementing rules for the amended Patent Law and drafts of amendments to the Patent Examination Guidelines. In December 2023, China released the final implementing rules for the amended Patent Law.

Among other things, the United States and U.S. stakeholders remain concerned about China's implementation of patent term extensions for unreasonable patent and marketing approval delays, including the limits on the type of protection provided by China's regulatory framework. The United States and U.S. stakeholders also remain concerned about China's patent linkage mechanism.

Medical Devices

For many years, working closely with U.S. industry, the United States has raised concerns about China's pricing and tendering procedures for medical devices and its treatment of imported medical devices. Notably, at the November 2015 JCCT meeting, China committed that, in terms of accessing the market, it will give imported medical devices the same treatment as medical devices manufactured or developed domestically. Unfortunately, despite this commitment, China continues to pursue a wide range of policies that direct China's purchasing authorities to prioritize the procurement of domestic medical devices over imported medical devices. In addition, when China allows the procurement of imported medical devices, the applicable regulations often explicitly preference foreign suppliers that agree to transfer their technology to Chinese enterprises.

Separately, the United States has pressed China's regulatory authorities to develop sound payment systems for medical devices that are transparent, predictable, and competitive. The United States has also urged China to adequately recognize quality, safety, and the costs of R&D in its approach to procurement policy.

In 2019, China's State Council launched a volume-based procurement (VBP) approach for medical devices in a few provinces and municipalities in an attempt to cut healthcare costs. Since then, VBP has become further engrained in China's system, with the formation of multi-province and municipal alliances to conduct joint procurements under VBP. In 2020, China implemented its first national VBP tender, which has been subsequently followed by additional national tenders. However, U.S. industry reports that the vast majority of VBP tendering activities are occurring at the sub-national level and that future VBP tenders are likely to be led by individual or groups of subnational entities. U.S. industry also reports that pricing for subsequent rounds of the same products under VBP tenders will likely be based on the results from past tenders.

In practice, China's VBP approach prioritizes cost over a medical device's value or quality, inhibiting the ability of high-quality, cutting-edge exports from the United States and other countries to compete with low-cost local alternatives. As the Chinese Government has acknowledged, the price-cutting generated by VBP disproportionately impacts foreign medical device manufacturers, whose only option for securing sales is to offer their products at unsustainably low prices.

According to U.S. industry stakeholders, if China continues to pursue VBP without significant changes, it could lead to the creation of a sector in which Chinese medical device companies develop monopolies in the manufacture and sale of various low-cost, low-quality medical devices in the China market. This outcome would operate to the disadvantage of innovative medical device companies, many of which are

foreign companies, and the patients who rely on advanced medical technologies. Reportedly, some of these medical device companies are reducing training to healthcare providers in order to offer the necessary price cuts. Overall, given the size of China's medical device market, China's VBP approach poses a risk to innovation in the medical device sector and the provision of high-quality medical treatment, not only in the China market but also globally.

Meanwhile, the Made in China 2025 industrial plan announced by the State Council in 2015 seeks to prop up China's domestic medical device sector through a series of support policies, including targeted funds, local content guideless, and procurement policies. The goal of these policies is to significantly increase the market share of domestically owned and domestically manufactured medical devices, and correspondingly decrease market share of foreign medical devices, by 2025. At the same time, some provincial governments directly subsidize the purchase of domestically manufactured medical devices. Some provincial governments have also issued guidelines urging medical institutions to prioritize the procurement of local medical equipment over imported equipment. In at least one province, the guidelines suggest that only imported medical devices for which there is not a domestic replacement will be eligible for procurement.

As discussed in more detail in the Government Procurement section above, in December 2024, China's Ministry of Finance issued for public comment the Notice on Matters Concerning Domestic Product Standards and Implementation Policies in the Field of Government Procurement (Draft for Comments).

Currently, the vast majority of medical devices in China are purchased through government procurement. The United States continues to urge China to make any draft implementing measures public and to provide a reasonable period for the public to submit comments.

U.S. industry also reports that while sub-central governments in China have always provided some financial support to domestic medical devices companies, their support appears to have increased since 2020. U.S. industry has noted that this trend could be attributed to the COVID-19 pandemic, China's first-ever five-year medical equipment industrial plan covering the years 2021 to 2025, the Action Plan to Promote the High-Quality Development of the Medical Equipment Industry (2023-2025), or possibly all three factors. The United States will monitor this situation closely and will encourage China to be transparent in its approach.

In August 2024, NMPA published a draft Medical Device Management Law. The draft law appears to eliminate certain onerous requirements such as requiring home country approvals before an imported medical device can be registered in China. However, the draft law also promises further industrial policy support for China's medical device sector, including financial support, which indicates that China's unfair, anti-competitive approach will likely continue. The United States submitted written comments on the draft law and will continue to monitor development of the law and any subsequent implementing regulations.

Finally, in June 2024, MIIT issued new guidance on "first-of-its-kind" major technical equipment, and several provincial and local authorities have subsequently issued measures and related guidance. Collectively, these new actions create incentives for procuring medical devices and other technical equipment for which the underlying IP is owned by an entity in China. The implications of these new measures remain unclear, both for U.S. medical device exports and medical devices produced in China based on IP owned by U.S. entities. The United States is monitoring developments closely.

Social Credit System

Since 2014, China has been working to implement a national "social credit" system for both individuals and companies. The implementation of this system is at a more advanced stage for companies versus individuals, as 18-digit "unified social credit codes" are assigned to every domestic and foreign company

in China. These 18-digit codes will provide a way for the Chinese Government to track a company's record of administrative and regulatory compliance and generate public credit information. In a report to the 20th National Party Congress in October 2022, the CCP's General Secretary emphasized the need to refine the social credit system. Since then, the Chinese Government has continued to take steps to make the social credit system fully operational.

Under the corporate social credit system, government records, and market-generated corporate compliance data are collected on every legal entity in China. The collected information contains regulatory and administrative records contributed by at least 44 state agencies and their branch offices across every province in China. Previously disparate information relating to a company's financial records, regulatory compliance, inspection results and other administrative enforcement activities is being consolidated under a company's unified social credit code. All of this data will be aggregated and shared between regulatory agencies via the National Credit Information Sharing Platform. Reportedly, approximately 75 percent of the records collected on companies is intended to be designated as "open to the public," while the remaining 25 percent that is intended to be withheld will include potentially sensitive information, such as approval records related to national development projects and details of any criminal cases.

Nationwide data collection under the corporate social credit system provides mechanisms to penalize companies with poor corporate and legal compliance records by, among other things, subjecting them to public censure, while rewarding compliant companies with positive incentives. Negative ratings or placement on a government agency's censure list can lead to various restrictions on a company's business activities. A company could face increased inspections, reduced access to loans and tax incentives, restrictions on government procurement, reduced land-use rights, monetary fines or permit denials, among other possible penalties.

Currently, however, there is no fully integrated national system for assigning comprehensive social credit scores for companies, and the social credit system remains highly fragmented. Certain central government agencies and sub-central government agencies maintain their own rating systems, with each agency making its own decisions about the types of transgressions that warrant negative ratings or placing a company on a censure list.

In November 2022, NDRC and PBOC jointly published a draft Social Credit Construction Law that would give the social credit system a legal basis, further embedding it into China's regulatory network. The draft law seeks to establish NDRC and PBOC as the main government agencies for construction of the social credit system. Their responsibilities would include overall coordination, supervision and guidance of the construction of the social credit system, and taking the lead in organizing the formulation and implementation of relevant policies and standards. The draft law also seeks to provide formal legal definitions for certain terms used in implementing the social credit system, such as "untrustworthy," "credit supervision," and "credit information." In addition, the draft law seeks to codify the protection of certain rights, as it calls for the establishment of a social credit system that maintains the security of social credit information and strictly protects state secrets, business secrets, and personal privacy, while also protecting the lawful rights and interests of natural persons, legal persons, and unincorporated organizations. As of December 31, 2024, the draft law had not been issued in final form.

Earlier in 2022, prior to the publication of the draft law, NDRC issued a draft update of the 2021 National Basic Catalogue of Public Credit Information and a draft update of the 2021 National Basic List of Disciplinary Measures against Dishonest Acts. The draft Catalogue of Public Credit Information compiles the scope and types of credit information that can be collected by government agencies. It also stipulates that certain categories of information are exempt from collection, including state secrets and trade secrets. The draft List of Disciplinary Measures includes a range of punitive actions that may be applied to violators of trust, such as duties, fees, restrictions on market activity, prohibitions, or limitations on occupations and

bans from government procurement bidding. Like the draft law, neither the draft Catalogue of Public Credit Information nor the draft List of Disciplinary Measures has been issued in formal form.

The social credit system has been tied to larger policy objectives as well. For example, the General Office of the State Council and the General Office of the CCP issued a joint opinion on promoting a high-quality credit system in order to further China's "dual circulation" objectives. In addition, in November 2022, the Ministry of Science and Technology (MOST) announced a new pilot project for evaluating science, technology, engineering, and mathematics talent. Under MOST's new pilot project, evaluation of scientists' performance is to incorporate metrics related to their moral character, which includes their social credit record, in order to ensure that scientific researchers have no history of plagiarism or academic fraud. This pilot project appears to reflect China's struggle to improve the quality of its scientific research talent.

Foreign companies also have numerous concerns with China's social credit system, which is becoming increasingly complex and expansive. They are concerned that the Chinese Government will use it to disadvantage or coerce foreign companies or provide favorable treatment to domestic companies. They are concerned that the Chinese Government will use the social credit system to pressure them to act in furtherance of China's industrial policies or other state priorities or otherwise to make investments or conduct their business operations in ways that run counter to market principles or their own business strategies. In addition, foreign companies are concerned about the opaque nature of the social credit system. Currently, for example, a company sometimes only learns about its negative ratings when, for example, it requests a permit and receives a denial, even though the Measures for Administration of the List of Serious Violators of Trust and Law includes a requirement that companies be informed of their being censured in advance. Other times, a company learns for the first time that it has been censured when a Chinese Government agency posts its name on the agency's website, even though the censuring of a company can cause severe harm to the company's reputation and adversely impact its efforts to attract customers, secure needed financing or make new investments. When Chinese Government agencies begin to pursue joint punishment in the way that NDRC envisions, it will mean that an infraction in one regulatory context could have wider consequences across the company's entire business operations.

Foreign companies are also concerned about the links between corporate social credit and individual social credit. They can foresee the Chinese Government using the social credit system as another tool to coerce foreign companies and those who work for them not to cross political redlines on sensitive matters like deprivation of human rights. Foreign companies can also foresee the Chinese Government potentially using corporate social credit in the future to exert extraterritorial influence by threatening the social credit standing of foreign companies or their officials for behavior or speech outside of China. Similarly, foreign companies are concerned that China will abuse its legion of laws regulating how data is stored and transferred to access information to use against them.

Administrative Licensing

U.S. companies continue to encounter significant problems with a variety of administrative licensing processes in China, including processes to secure product approvals, investment approvals, business expansion approvals, business license renewals, and even approvals for routine business activities. While there has been an overall reduction in license approval requirements and a focus on decentralizing licensing approval processes, U.S. companies continue to report that one of their key concerns involves China's problematic licensing approval processes. Among other things, according to U.S. companies, China provides preferential treatment to Chinese companies, including both state-owned and private enterprises, when granting license approvals.

In July 2024, the Central Committee of the CCP and the State Council jointly issued the Opinions on Promoting the Growth and Development of the Private Economy, sometimes referred to as the "31-Point

Plan.” The measure, whose stated objective is to promote the growth and development of the private sector in China, purports to prohibit government agencies from using administrative requirements, such as filing, licensing, and approvals, to create market entry barriers. In theory, foreign companies, as part of the Chinese private economy, should benefit from the measure. However, the measure has not resulted in any concrete improvements for U.S. companies seeking to conduct business in China.

Transparency

One of the core principles reflected throughout China’s WTO accession agreement is the enhancement of transparency. Unfortunately, after more than 20 years of WTO membership, China still has a poor record when it comes to adherence to its transparency obligations.

Publication of Trade-Related Measures

In its WTO accession agreement, China committed to adopt a single official journal for the publication of all trade-related laws, regulations, and other measures. In 2006, China adopted such a single official journal, administered by MOFCOM. However, many trade-related measures are never published in this journal.

At the central government level, it appears that China only publishes trade-related measures issued by some, but not all, central-government entities in the official journal, as China tends to take a narrow view regarding the types of trade-related measures that are required to be published in the official journal. For those government entities whose trade-related measures are published in the official journal, China more commonly (but still not regularly) publishes trade-related administrative regulations and departmental rules in the journal, but it is rare for China to publish other measures such as opinions, circulars, orders, directives, and notices, which are known as “normative documents” in China’s legal system. Normative documents are regulatory documents that do not fall into the category of administrative regulations or departmental rules, but still impose binding obligations on enterprises and individuals. Although the State Council introduced a definition for “administrative normative documents” in 2014, this definition is narrow and does not appear to encompass all normative documents, nor has it resulted in their regular publication as required by China’s WTO commitments. Among other things, publication of all normative documents would facilitate compliance by enterprises and individuals with the obligations addressed in them.

Meanwhile, the situation is even worse for measures issued by sub-central governments in China. China rarely publishes any trade-related measures issued by sub-central governments in the official journal.

Finally, China rarely publishes certain types of trade-related measures from either the central level or the sub-central level of government in the official journal. As discussed above in the Industrial Subsidies section, an important example involves subsidy measures.

Notice-and-Comment Procedures

In its WTO accession agreement, China committed to provide a reasonable time period for public notice and comment before implementing new trade-related laws, regulations, and other measures. While little progress has been made in implementing this commitment at the sub-central government level, the National People’s Congress instituted notice-and-comment procedures for draft laws in 2008, and shortly thereafter China indicated that it would also publish proposed trade- and economic-related administrative regulations and departmental rules for public comment. Subsequently, the National People’s Congress began regularly publishing draft laws for public comment. China’s State Council often (but not regularly) published draft administrative regulations for public comment, but many of China’s ministries were not consistent in publishing draft departmental rules or normative documents for public comment.

At the May 2011 S&ED meeting, China committed to issue a measure implementing the requirement to publish all proposed trade- and economic-related administrative regulations and departmental rules on the website of the State Council's Legislative Affairs Office (SCLAO) for a public comment period of not less than 30 days. In April 2012, the SCLAO issued two measures that appear to address this requirement.

In the Phase One Agreement, China committed to provide no less than 45 days for public comment on all proposed laws, regulations, and other measures implementing the Phase One Agreement. Since the entry into force of this commitment in February 2020, China has generally been providing the required 45-day public comment period and working constructively with the United States whenever it has raised questions or concerns regarding provisions in proposed implementing measures.

Currently, outside the context of Phase One Agreement implementing measures, the process for issuing new measures in China can be opaque and unpredictable. China has yet to adequately improve its practices relating to the publication of proposed administrative regulations and departmental rules for public comment. China has also yet to formalize its use of notice-and-comment procedures for proposed normative documents, although some individual ministries have standardized their internal procedures for issuing administrative normative documents. In addition, even when China provides for a notice-and-comment period, too often it issues the final measure immediately after the end of the comment period, suggesting that it did not give serious consideration to the comments received. In addition, China often fails to provide an adequate implementation period once a measure has been finalized.

Similarly, China has yet to implement consistently the notice-and-comment obligations applicable to all WTO Members. Most notably, China needs to adhere consistently to the notice-and-comment periods required by the TBT Agreement and the SPS Agreement.

Translations

In its WTO accession agreement, China committed to make available translations of all of its trade-related laws, regulations, and other measures at all levels of government in one or more of the WTO languages, *i.e.*, English, French, and Spanish. Prior to 2014, China had only compiled translations of trade-related laws and administrative regulations (into English), but not other types of measures, such as departmental rules, normative documents, and sub-central government measures. Even for trade-related laws and administrative regulations, China was years behind in publishing these translations. At the July 2014 S&ED meeting, China committed that it would extend its translation efforts to include not only trade-related laws and administrative regulations but also trade-related departmental rules. Subsequently, in March 2015, China issued a measure requiring trade-related departmental rules to be translated into English. This measure also provides that the translation of a departmental rule normally must be published before implementation.

Notably, however, even if China were to fully implement its existing measures requiring translations, they would not be sufficient to bring China into full WTO compliance in this area. China does not consistently publish translations of trade-related laws, administrative regulations, and departmental rules in a timely manner (*i.e.*, before implementation), nor does it publish any translations of trade-related normative documents or trade-related measures issued by sub-central governments.

Enquiry Point

In its WTO accession agreement, China committed to establish an enquiry point that would respond to requests for information relating to legal measures required to be published in its official journal. At times,

however, China has refused to provide copies of legal measures in response to legitimate requests directed to its enquiry point.

In April 2020, for example, the United States submitted a request concerning five Chinese legal measures covering semiconductors and fisheries subsidy programs that had not been published in China's official journal and were not otherwise available online, nor had they been notified to the WTO. Despite the obligation in its WTO accession agreement to either provide the documents or respond in writing within 45 days, China did not meet this deadline. The United States made repeated follow-up requests, to no avail. Five months after the United States submitted its request to China's enquiry point, MOFCOM orally informed the U.S. Embassy in Beijing that it would not be providing any of the requested legal measures because two of the measures would soon be replaced and the other three measures, in China's view, were not relevant to China's WTO obligations. USTR promptly responded to MOFCOM in writing, countering its assertions and urging it to provide the requested documents. Since then, China has continued to refuse to provide a written response to the United States' request or to provide any of the requested legal measures, even though the United States and other WTO Members have repeatedly raised this matter.

Other Non-Tariff Measures

A number of other non-tariff measures can adversely affect the ability of U.S. industry to access or invest in China's market. Key areas of concern include laws governing land use in China, commercial dispute resolution, and the treatment of NGOs. Corruption among Chinese Government officials, enabled in part by China's incomplete adoption of the rule of law, is also a key area of concern.

COLOMBIA

TRADE AGREEMENTS

The United States–Colombia Trade Promotion Agreement

The United States–Colombia Trade Promotion Agreement (CTPA) entered into force on May 15, 2012. The United States and Colombia work closely to review the implementation and functioning of the CTPA and to address outstanding issues.

IMPORT POLICIES

Tariffs

Since January 1, 2021, most U.S. consumer and industrial products have been imported duty free into Colombia pursuant to the CTPA. Duties on some remaining U.S. agricultural goods were phased out on January 1, 2023. Tariffs on the most sensitive products for Colombia will be phased out between January 1, 2026, and January 1, 2030. U.S. agricultural exporters also currently benefit from duty-free access under tariff-rate quotas for some sensitive products.

Non-Tariff Barriers

Customs Barriers and Trade Facilitation

Colombia has not yet implemented customs reforms that would allow traders to submit electronic copies of invoices instead of physical copies, as encouraged by the World Trade Organization (WTO) Trade Facilitation Agreement. Slow customs clearance in Colombia hampers both imports and exports, and the ability to submit electronic copies of documents would help accelerate customs clearances. The Colombian Government reports that its digital system is under development, and the United States will continue to follow the development of this system.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Conformity Assessment Requirements for Automobile and Motorcycle Parts

Since March 2021, Colombia has proposed seven measures that impose a new third-party certification requirement for several components of imported vehicles. Colombia notified these measures to the WTO between August 2022 and August 2024. U.S. manufacturers report that they are unable to comply with the measures because there is not sufficient capacity for third-party certification. Moreover, U.S. manufacturers already test their products for compliance with U.S. Federal Motor Vehicle Safety Standards (FMVSS), and stakeholders argue that Colombia has not demonstrated a need for further testing. As a result of persistent U.S. engagement with Colombia, implementation of these measures has been delayed several times to provide additional time to identify a mutually satisfactory solution. Most recently, implementation of proposed measures affecting tires and brakes was delayed until May 2025, but regulations on seatbelts, glazing, and retro-reflective tape will enter into force in March 2025. USTR will

continue to engage with Colombia to find a solution that will allow U.S. auto producers to continue to export their products without redundant third-party certification.

Cosmetics and Personal Care

Andean Community Resolution 2310, entered into force on December 17, 2024. This resolution includes technical regulations on labeling of cosmetic and personal care products and prohibits existing labels to comply with specific Andean Community labeling requirements.

Sanitary and Phytosanitary Barriers

Lactic Acid and Bulk Dried Milk

In August 2020, Colombia's National Institute for Surveillance of Medicines and Food (INVIMA) informed the United States that all U.S. shipments of milk powder to Colombia must meet the physical and chemical properties requirements in Decree 616 of 2006, including minimum lactic acid content requirements. The WTO Committee on Sanitary and Phytosanitary Measures (WTO SPS Committee) was notified of Decree 616 in 2005 and again in 2012. The scientific basis and rationale for the regulation remain unclear. Colombia's stated goal for the decree is to align with the standards outlined in the Codex Alimentarius. However, the Codex Alimentarius Commission standard for milk powders establishes maximum levels for titratable acidity as an additional quality factor, not a minimum requirement and not affecting the identity or safety of the food. In July 2022, Colombia published a draft amendment to Decree 616, which continued to include mandatory minimum lactic acid requirements for milk powder. On September 16, 2024, Colombia's Ministry of Health notified for domestic consultation an updated draft of the amendment to Decree 616. This draft still contains minimum lactic acid requirements and introduces a new measure that prohibits the reconstitution of milk powder into liquid milk. On September 30, 2024 the United States submitted comments on the draft amendment. As of December 31, 2024, the draft had not yet been notified for international consultation through the WTO.

New Facility Registration Requirements

In July 2021, Colombia notified to the WTO implementation procedures for Decree 2478 of 2018, which creates the process whereby countries gain approval to export products deemed higher risk to Colombia, including through new foreign facility approval requirements. The new procedures will affect foreign countries' ability to export meat, poultry, dairy, seafood, and egg products to Colombia. The United States provided comments on the measure to Colombia in September 2021, requesting clarification of enforcement procedures and a change to the procedures to reduce trade barriers, including burdensome and costly auditing requirements that are not in line with international standards. In April 2022, Colombia agreed to exempt U.S. meat and poultry products from these procedures due to the February 2006 side letter under the CTPA that recognizes the U.S. Inspection and Surveillance system for meat and poultry products as equivalent. However, further improvements still need to be made in order to allow the continued export of egg, seafood, and dairy products. After the United States expressed additional concerns during the April 2023 CTPA Meeting of the Standing Committee on Sanitary and Phytosanitary Matters, Colombia released updated procedures for the implementation of Decree 2478 in May 2024. These procedures still contained several barriers to trade for the United States, including the requirement for national health authorities to register foreign facilities directly with the Colombian Government. The final procedures for Decree 2478 of 2018 are set to go into force on July 31, 2025. The United States submitted additional comments through local consultation on June 8, 2024, and is continuing to work with Colombia to find a solution so that U.S. facilities are exempt from new requirements.

GOVERNMENT PROCUREMENT

Colombia's Ministry of National Defense requires government-to-government agreements for some defense procurements, a stipulation that excludes U.S. companies from participation. The U.S. Government lacks the authority to act as a guarantor in procurement contracts between foreign governments and U.S. firms and, as a result, several major U.S. companies have been negatively impacted by this requirement. The United States continues to engage with Colombia to remove this restrictive requirement for defense procurements.

Colombia is not a Party to the WTO Agreement on Government Procurement (GPA), but has been an observer to the WTO Committee on Government Procurement since February 1996.

INTELLECTUAL PROPERTY PROTECTION

Colombia remained on the Watch List in the [2024 Special 301 Report](#). Colombia has not yet implemented the provisions of the CTPA regarding enforcement against online copyright infringement and has not yet acceded to the 1991 Act of the International Convention for the Protection of New Varieties of Plants. During 2024, the United States continued to engage with Colombia on these outstanding CTPA commitments. The San Andresitos markets, a collection of over 600 shopping centers across Colombia, were added to the 2025 Notorious Markets List due to the prevalence of counterfeit goods sold.

In 2018, Colombia issued Decree 433 and Decree 710 to clarify that Colombia would not condition regulatory approvals for pharmaceuticals on factors other than the safety and efficacy of the underlying compound. An action brought by a private citizen challenging both of these decrees led Colombia's Council of State to provisionally suspend the decrees in September 2019. As of December 31, 2024, Colombia was still considering how it will resolve the uncertainty caused by the suspended decrees.

Colombia continues to face a large number of pirated and counterfeit goods crossing the border or sold at markets, on the street, and at other distribution hubs around the country. High levels of digital piracy persist, and Colombia has not curtailed the number of free-to-air devices, community antennas, and unlicensed Internet Protocol Television services that permit the retransmission of otherwise-licensed content to a large number of nonsubscribers.

SERVICES BARRIERS

Distribution Services

A section of Colombia's commercial code provides protections for agents that can make it difficult and costly for companies to terminate a commercial agent (sales representative) contract. The United States has been working with Colombia to implement its commitments under the CTPA that address this issue.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Colombia brought its Significant Economic Presence (SEP) tax into force on January 1, 2024, per Article 57 of Law 2277 of 2022. The tax applies to the sale of tangible goods and digital services. A non-resident entity has SEP status and is subject to the tax if: 1) it has deliberate and systematic interaction with the Colombian market (defined, in part, as maintaining a marketing interaction with 300,000 or more customers in Colombia); and 2) it obtains gross income of at least "31,300 Tax Value Units" (for 2025, approximately \$370,000) from transactions involving the sale of goods or services in the Colombian market. Non-

residents with an SEP in Colombia pay a 3 percent tax on gross income if they register and file in Colombia or a withholding tax of 10 percent. Prior to the tax reform's passage in 2022, the United States raised with Colombia its concerns regarding the differing application of the rule to non-residents and residents.

LABOR

The United States and Colombia continue to consult on labor issues pursuant to Article 17.5.5 of the CTPA. This engagement includes discussing Colombia's progress on implementing specific recommendations contained in a U.S. Department of Labor (DOL) report. The [DOL report](#), published in 2017, raises significant concerns regarding labor law enforcement throughout Colombia, especially with respect to the right to freedom of association, the right to organize and bargain collectively, violence against unionists, and impunity for the perpetrators of the violence.

COSTA RICA

TRADE AGREEMENTS

Dominican Republic–Central America–United States Free Trade Agreement

The Dominican Republic–Central America–United States Free Trade Agreement (CAFTA–DR) entered into force for the United States and El Salvador on March 1, 2006, for Honduras and Nicaragua on April 1, 2006, for Guatemala on July 1, 2006, for the Dominican Republic on March 1, 2007, and for Costa Rica on January 1, 2009. The United States and the other CAFTA–DR countries meet regularly to review the implementation and functioning of the Agreement and to address outstanding issues.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

As a member of the Central American Common Market, Costa Rica applies a harmonized external tariff on most items at a maximum of 15 percent, with some exceptions. However, under the CAFTA–DR, as of January 1, 2015, U.S. non-agricultural goods enter Costa Rica duty free.

In addition, nearly all U.S. agricultural exports enter Costa Rica duty free under the CAFTA–DR. Costa Rica eliminated its tariffs on certain U.S. rice and dairy products on January 1, 2025. For certain agricultural products, tariff-rate quotas (TRQs) permit duty-free access for specified quantities during the tariff phase-out period, with the duty-free quantities expanding during that period. Costa Rica will liberalize trade in fresh potatoes and onions through continual expansion of a TRQ, rather than the reduction of the out-of-quota tariff. Costa Rica is required under the CAFTA–DR to make TRQs available on January 1 of each year. Costa Rica monitors its TRQs through an import licensing system, which the United States carefully tracks to ensure the timely issuance of these import licensing permits.

Taxes

Costa Rica assesses an excise tax on distilled spirits calculated as a percentage of alcohol per liter, based on three specific rates (Law 7972). The highest rate applies to spirits bottled at a rate above 30 percent alcohol-by-volume (abv). Locally-produced spirits (produced in the largest volume by the state-owned alcohol company) are bottled at 30 percent abv, but most internationally traded spirits are bottled at 40 percent abv. As a result, most imported spirits are taxed at a higher rate than most spirits produced domestically. Furthermore, domestic producers may pay the tax within the first 15 days of each month on sales made during the prior month, while importers must pay the tax prior to release of their product from customs.

SANITARY AND PHYTOSANITARY BARRIERS

The Costa Rican Ministry of Agriculture occasionally delays the issuance of phytosanitary import permits for sensitive products during specific periods, such as harvest time (*e.g.*, usually from April to June for onions), creating difficulties for U.S. exporters of those products. The U.S. Department of Agriculture (USDA) Animal and Plant Health Inspection Service and the Costa Rican Ministry of Agriculture conduct frequent bilateral meetings to discuss regulatory procedures for the import and export of new products,

promoting market access for new U.S. products. Costa Rica's market for U.S. tablestock potatoes has been closed since 2013, and USDA and the Costa Rican Ministry of Agriculture are discussing the final requirements to reopen this market. The United States exported approximately \$3.4 million of chipping potatoes to Costa Rica in 2024; however, industry estimates that U.S. potato exports could increase to over \$5 million if phytosanitary issues are addressed and the table-stock potato market reopened.

A 2016 Costa Rican regulation requires completion of extensive questionnaires for certain animal product facilities that export products to Costa Rica, including dairy, seafood, lamb, and egg product facilities. Most U.S. exporting facilities have complained that the questionnaire requires disclosure of irrelevant and business proprietary information. As a result, U.S. exports of these products face delays of several months or longer when introducing new products to the Costa Rican market. The USDA and the U.S. Department of Health and Human Services Food and Drug Administration have engaged Costa Rica's National Animal Health Service to advocate for a less burdensome alternative to the questionnaire for U.S. exporters.

GOVERNMENT PROCUREMENT

U.S. companies have indicated that the private sector is sometimes disadvantaged in public bids when competing against Costa Rican state-owned enterprises in both the information and communications technology and insurance sectors. Article 2 of the Public Contracting Law allows for the noncompetitive awarding of contracts to public entities if officials of the awarding entity certify the award to be an efficient use of public funds. The United States has engaged with Costa Rica on these issues.

Costa Rica is not a Party to the World Trade Organization (WTO) Agreement on Government Procurement (GPA), but is an observer to the WTO Committee on Government Procurement since June 2015. Costa Rica applied for GPA accession on September 28, 2023. Costa Rica has binding international procurement obligations under the CAFTA-DR.

INTELLECTUAL PROPERTY PROTECTION

Costa Rica was removed from the Watch List in the 2020 Special 301 Report due to the concrete steps it took to improve its intellectual property (IP) regime, including initiating new programs within the government to track licenses to address unlicensed software use in the central government, and to implement an online recordation system to improve border enforcement. While the United States recognizes the progress Costa Rica has made, and the potential of these positive developments, their effectiveness remains to be demonstrated through enforcement and outcomes on the ground. Costa Rica's IP Registry issued its second report on government usage of unlicensed software in July 2022, with results of the use of legal software at 95 government institutions. The decree that calls for these reports does not mandate they be published, and neither the first nor the second report has been published. The Public Procurement Directorate of the Ministry of Finance and the Ministry of Foreign Trade are working to create public procurement guidelines to enforce the purchase and use of legal software by government institutions. The Public Procurement Directorate is responsible for reporting to the President, the Revenue Control Commission, and the Government Expenditures Commission of the National Assembly on compliance with the public procurement guidelines. The United States continues to request that Costa Rica publish the results of the reports.

The United States also continues to urge Costa Rica to bolster IP enforcement to curb online piracy, address cumbersome border measure processes to deter counterfeit and pirated goods, and effectively utilize *ex officio* authority for border enforcement against counterfeit and pirated goods. The Inter-Institutional Commission for the Protection and Promotion of Intellectual Property (CIPPI) is working to include the Fiscal Control Police on the Commission to support *ex officio* procedures. Costa Rica has implemented an

online recordation system that provides information to improve border enforcement but is not as robust as the U.S. Department of Homeland Security Customs and Border Protection e-Recordation Program. The Ministry of Foreign Trade is working with the IP Registry and private sector representatives to strengthen Costa Rica's recordation system and learn from best practices in this area. The Association of Intellectual Property Professionals of Costa Rica (APPICR) is developing a legal proposal for the donation of a registration program, which will be linked to Costa Rica's customs system. The United States continues to encourage Costa Rica to build on initial positive steps to protect and enforce IP and to continue bilateral discussions of these issues.

COTE D'IVOIRE

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Côte d'Ivoire's average Most-Favored-Nation (MFN) applied tariff rate was 12.1 percent in 2023 (latest data available). Côte d'Ivoire's average MFN applied tariff rate remained 15.8 percent for agricultural products and 11.5 percent for non-agricultural products in 2023 (latest data available). Côte d'Ivoire has bound 33.3 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 11.2 percent.

Consistent with the Economic Community of West African States (ECOWAS) Common External Tariff (CET), Côte d'Ivoire applies: (1) zero percent duty on essential social goods (*e.g.*, medicine); (2) 5 percent duty on essential commodities, raw materials, and capital goods; (3) 10 percent duty on intermediate goods; (4) 20 percent duty on final consumer goods; and (5) 35 percent duty on certain goods that the Ivoirian Government elected to afford greater protection. The CET is based on the 2022 Harmonized System nomenclature developed by the World Customs Organization.

Since 2021, the tariff rate was reduced to 9 percent for milk (but not yogurt and other dairy products), infant milk, homogenized and composite preparation foods for infants, imported rice, meat imported from outside ECOWAS, pasta products containing 100 percent durum wheat semolina, and equipment designed for solar energy. The Ivoirian Government applies a tariff of 1,000 CFA (approximately \$1.70) per kilogram to imports of frozen poultry.

Taxes

Imports from countries that are not members of the West African Economic and Monetary Union (WAEMU) are subject to an additional 2.5 percent tax on the cost, insurance, and freight (CIF) value of imports, which consists of the solidarity tax (0.8 percent), African Union import tax (0.2 percent), ECOWAS community levy (0.5 percent), and statistical charge (1.0 percent), all of which are used for financing WAEMU commissions and assisting landlocked WAEMU members Burkina Faso, Mali, and Niger. Like all ECOWAS countries, Côte d'Ivoire imposes a 1 percent ECOWAS levy on all goods originating from non-ECOWAS countries to finance the activities of the ECOWAS Commission and Community institutions. Côte d'Ivoire levies an additional 1 percent charge on the CIF value of imports, except those destined for re-export, transit, or donations for humanitarian purposes under international agreements.

An import tax of 15 percent is applied on imports of electrical transformers from 16 kilovolt-amperes (kVA) to 500 kVA.

Excise duties apply to certain imports, including alcoholic or nonalcoholic beverages, perfume, cosmetic products, marble, oil products, and tourism vehicles with at least 13 horsepower. The import tax on cosmetic products containing hydroquinone is 15 percent.

Non-Tariff Barriers

A number of items are subject to import prohibitions, restrictions, or prior authorization, including: certain petroleum products, animal products, flour, live plants, seeds, plastic bags, distilling equipment, and analog televisions. Textile imports are subject to some authorization requirements by the External Trade Promotion Office.

Import Bans

Côte d'Ivoire has prohibited wheat flour imports without iron and folic acid fortification since 2008. In January 2020, Côte d'Ivoire banned the importation of sugar for five years. By doing so, Côte d'Ivoire ensures the consumption of domestically-produced sugar and protects a well-known national company in this sector. Two local companies are authorized to import sugar in case of a national shortage.

Import Restrictions

A regulation in force since July 2018 limits the age of imported used vehicles to a maximum of five years.

Customs Barriers and Trade Facilitation

All goods imported into Côte d'Ivoire must first be examined by a pre-shipment inspection company for compliance with relevant requirements. U.S. exporters find the process often increases the time and cost to export without providing assurance of a more streamlined clearance process at the border. Four European companies—BIVAC (affiliated with the French group Bureau Veritas), Swiss-based firms COTECNA and SGS, and British company Intertek—are contracted to carry out pre-shipment inspections of goods exported to Côte d'Ivoire with a value exceeding 1 million CFA (approximately \$1,700). A certificate of compliance from one of these firms is required to clear customs. In 2023, customs authorities enforced a rule mandating that all imported containers must undergo a verification scan before being allowed to enter the country.

Côte d'Ivoire notified its latest update to its customs valuation legislation to the WTO in June 2002, but it has not yet responded to the WTO Checklist of Issues that describes how the Customs Valuation Agreement is being implemented.

Minimum Import Prices

The Ivoirian Government imposes minimum import prices on certain products including cooking oil, sugar, used clothing, concentrated tomato paste, broken rice, matches, notebooks, tissues, polypropylene sacks, alcohol, and milk.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Since becoming a WTO Member, in 1995, Côte d'Ivoire has not consistently notified draft measures to the WTO Committee on Technical Barriers to Trade nor the WTO Committee on Sanitary and Phytosanitary Measures. Transparency of the regulatory system in Côte d'Ivoire is a concern, as companies complain that regulations are issued only as final measures without a clear process or a period for public comment on draft regulations.

GOVERNMENT PROCUREMENT

The Ivoirian Government publishes tender notices in the local press and sometimes publishes tenders in international magazines and newspapers. On occasion, there is a charge for the bidding documents. Côte d'Ivoire has a generally decentralized government procurement system, with most ministries undertaking their own procurements. The National Bureau of Technical and Development Studies—the government's technical and investment planning agency and think tank—occasionally serves as an executing agency in major projects to be financed by international institutions.

The Public Procurement Department is a centralized office of public tenders in the Ministry of Finance to help ensure compliance with international bidding practices. Côte d'Ivoire's update to its public procurement code in July 2019 introduced some positive changes, including electronic procurement, provisions on sustainable procurement, and promotion of socially responsible vendors as part of the qualification criteria. While the public procurement process is required by law to use open procedures, in practice it is often opaque and government contracts are occasionally awarded in a non-transparent manner. Some companies appear to secure contracts as a result of longstanding relationships with government officials or aided by partnerships with Ivoirian commercial entities that have close connections to the government. In other instances, although specific regulations govern the use of sole source procurements, the government has awarded sole source bids without going through the tendering procedures, citing the high technical capacity of a specific firm or a declared emergency.

Many firms continue to cite corruption as an obstacle to a transparent understanding of procurement decisions.

Côte d'Ivoire is not a Party to the WTO Agreement on Government Procurement, but has been an observer to the WTO Committee on Government Procurement since July 2020.

INTELLECTUAL PROPERTY PROTECTION

Inadequate enforcement of intellectual property (IP) rights remains a serious concern. The Ivoirian Copyright Office (BURIDA) uses a labeling system to combat counterfeiting and piracy in audio, video, literary, and artistic works. BURIDA has also facilitated stakeholder engagement to promote IP, and its police unit still conducts some raids to confiscate pirated CDs and DVDs; however, due to recent streaming alternatives, CDs and DVDs are circulated less and less in the market. In 2023, Côte d'Ivoire made efforts to operationalize the National Committee for the Fight against Counterfeiting (CNLC), which was created by decree in 2014, accepts IP enforcement complaints from stakeholders, and reportedly will conduct seizures on right holders' behalf. However, detailed information about the CNLC's activities is not publicly available. Counterfeit goods are also widely available throughout the country. IP enforcement continues to suffer in Côte d'Ivoire due to limited resources and a lack of customs checks at the country's porous borders.

SERVICES BARRIERS

The chartered accountants' association of Côte d'Ivoire prohibits registration of foreign nationals, with the exception of those who have practiced in Côte d'Ivoire for several years under the license of an Ivoirian practitioner.

INVESTMENT BARRIERS

Côte d’Ivoire has restrictions on and requires prior approval for foreign investment in the health sector, law and accounting firms, petroleum and gas, and travel agencies. Majority foreign ownership of companies in these sectors is not permitted, and all foreign companies currently operating in these sectors do so in partnership with local firms.

OTHER BARRIERS

Bribery and Corruption

Bribery and corruption remain a significant concern. Stakeholders report that bribes are sometimes solicited to speed up the slow bureaucratic process or to secure public tenders. The High Authority of Good Governance (HABG) is an independent administrative authority that is nominally under the Office of the President. It is responsible for executing the national plan to fight corruption and investigating allegations of corruption. In 2021, the HABG undertook an audit of Ivoirian parastatal companies in key sectors. Several parastatals’ managers have been suspended from their positions. In addition, 14 entities (11 public companies and 3 private companies) in the health sector were charged with corruption. Corruption, opaque business practices, and capacity constraints on the judiciary and in law enforcement have resulted in poor enforcement of the law. This situation has been particularly acute with regard to the protection of private property rights, particularly when the subject of the judicial proceeding or law enforcement action is a foreigner and the plaintiff is Ivoirian or a long-established foreign resident. These situations are further complicated by conflicting modern and traditional concepts of land tenure, the latter including communal ownership. In July 2022, the government launched Spacia, a platform for monitoring and preventing acts of corruption and similar offenses.

Export Policies

Côte d’Ivoire’s 2021–2025 National Development Plan prioritizes agro-industrial development. As a result, the government provides incentives and supports funds to investors expanding agro-industrial processing of locally grown cashew, cocoa, and other commodities for export. The government also incentivizes domestic processing of agricultural commodities such as cocoa, rubber, palm oil, and coffee, by imposing a higher export tax on unprocessed commodities. The government prohibits the export of iron products. Exports of metallic ores, gems, and precious metals require prior authorization from both the Ministry of Mines, Petroleum, and Energy and the Ministry of Economy, Planning, and Development.

On May 7, 2024, Côte d’Ivoire suspended the purchase of raw cashew nuts by exporters and the export of raw cashew nuts to ensure a supply for local processing plants. Only the purchase of raw cashew nuts by approved processors and buyers for supply to processing units is authorized. The suspension of exports did not apply to products that had already been authorized for packaging.

DOMINICAN REPUBLIC

TRADE AGREEMENTS

Dominican Republic–Central America–United States Free Trade Agreement

The Dominican Republic–Central America–United States Free Trade Agreement (CAFTA–DR) entered into force for the United States and El Salvador on March 1, 2006, for Honduras and Nicaragua on April 1, 2006, for Guatemala on July 1, 2006, for the Dominican Republic on March 1, 2007, and for Costa Rica on January 1, 2009. The United States and the other CAFTA–DR countries meet regularly to review the implementation and functioning of the Agreement and to address outstanding issues.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Under the CAFTA–DR, as of January 1, 2015, U.S. non-agricultural goods enter the Dominican Republic duty free. In addition, nearly all U.S. agricultural exports enter the Dominican Republic duty free under the CAFTA–DR. Under the CAFTA–DR, the Dominican Republic agreed to eliminate its tariffs on rice, chicken leg quarters, and some dairy products on January 1, 2025. For certain agricultural products, tariff-rate quotas (TRQs) permitted duty-free access for specified quantities during the tariff phase-out period. The Dominican Republic is required under the CAFTA–DR to make TRQs available on January 1 of each year.

On December 31, 2024, Decree-693-24 took effect. The decree provides for the Dominican Republic to retain, in perpetuity, the CAFTA-DR TRQ from the nineteenth year of the Agreement: a 23,300 metric ton duty-free quota for rice exports from the United States. Any exports beyond that quota would be subject to a 99 percent tariff. U.S. stakeholders have raised concerns that the Dominican Republic may be taking steps that appear to undermine its obligations under the CAFTA-DR. The United States is closely following this issue and engaging bilaterally with the Dominican Republic to address it.

Taxes

U.S. ethanol imported into the Dominican Republic is subject to an internal 10 percent *ad valorem* tax and an excise tax of approximately \$11 per liter, and these taxes disincentivize importation of U.S. ethanol. Imported ethanol is also subject to the internal Tax on Transfer of Industrial Goods and Services (ITBIS) at a rate of 18 percent. This practice disadvantages U.S. exports as locally-produced ethanol is not subject to these internal taxes.

Cheese importers face unequal treatment with regard to taxation; imported cheese is subject to the ITBIS of 18 percent, while locally-produced cheese is not. This puts U.S. exports of these products at a competitive disadvantage. In meetings conducted from 2020 to 2023, the Dominican Republic Government advised that the General Directorate of Internal Taxes (DGII) had discussed implementing the ITBIS on local cheese producers through a schedule. The DGII has not made any progress on this proposed implementation. The U.S. Government will continue to work with the DGII to seek a resolution of this issue.

Non-Tariff Barriers

Import Licensing

The Dominican Republic's Ministry of Agriculture continues to administer import licenses as a means to manage trade in sensitive commodities such as rice, beans, dairy, sugar, poultry, beef, pork, onions, and garlic and intermittently with respect to other products. In August 2004, a side letter was signed under the CAFTA–DR by the United States and the Dominican Republic affirming that the Dominican Republic would not grant or deny import licenses on the basis of unjustified sanitary or phytosanitary concerns, domestic purchasing requirements, or discretionary criteria. However, the need to obtain an import license from the Ministry of Agriculture and the way in which the licensing process is handled can lead to inconsistent application of the law and uneven treatment.

Importers of U.S.-made used vehicles less than five years old have reported that the Dominican Republic customs authority frequently has challenged the eligibility of those vehicles for preferential tariff treatment under the CAFTA–DR, citing technical difficulties in demonstrating compliance with the rules of origin. The United States continues to engage with the Dominican Republic to address these complaints.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Regulation of Steel Rebar

Multiple U.S. exporters of steel rebar used for construction have complained that a Dominican Republic technical regulation (RTD 458) constitutes a barrier to trade. Dominican Republic authorities have required imported U.S. rebar to be sampled and tested by third-party laboratories, which is not required of domestic production. Because no suitable third-party laboratories exist in the Dominican Republic, samples have been sent back to the United States for testing. These conformity assessment procedures lack transparency in their application and have unduly increased the cost and time required for commercialization of rebar in the Dominican Republic.

The United States has continued to engage with U.S. companies and Dominican Republic authorities on this issue. While Dominican Republic authorities have worked with certain individual companies in the U.S. steel industry to accept test results and certify rebar before export so that products may clear customs and enter commerce in the Dominican Republic without delay, the Dominican Republic has yet to reform the regulations and practices to ensure that imported rebar is treated no less favorably than domestically manufactured rebar.

Sanitary and Phytosanitary Barriers

Delays in the process for obtaining sanitary registrations from the Dominican Republic for foods, medicines, and health products have historically resulted in higher operating costs and delays moving products to market, according to industry representatives. Since June 5, 2023 when the General Directorate of Medicines, Food, and Health Products (DIGEMAPS) became a decentralized institution, independent from the Ministry of Public Health and Social Welfare, the process has improved. The U.S. Government continues to work with DIGEMAPS to improve the process and move toward a risk-based inspection registration process that will facilitate entry of U.S. pre-packaged products into the Dominican Republic.

GOVERNMENT PROCUREMENT

U.S. suppliers have complained that government procurement in the Dominican Republic is not always conducted in a transparent manner and that corruption is a problem. The U.S. Government has engaged with the Dominican Republic Government on this issue and transparency has increased in its procurement system over the last few years. In a Memorandum of Understanding signed by the United States and the Dominican Republic in October 2020, the Dominican Republic Government expressed its intent to prioritize passage of new legislation on public procurement and implement it in a manner that is timely, transparent, and consistent with international best practices.

In September 2023, while waiting for Congress to consider a draft law on government procurement, the Government of the Dominican Republic enacted a new Regulation for the Application of Law No. 340-06 on Procurement and Contracting of Goods, Services and Works by Decree 416-23 of the Executive Branch of the Dominican Republic. This regulation replaced the previous Regulation on Procurement and Contracting of Goods, Services, and Works No. 543-12 of 2012. The new implementing regulation addresses transparency and electronic procurement portals, methodology on micro-purchases, streamlining participation for foreign companies, integrity and mitigation risks for vendors, best value for money, transparency of government procurement committees, exception rules, and sustainability in the evaluation criteria.

A draft government procurement law that would have codified many of the reforms in the new implementing regulation expired in January 2025 after the Chamber of Deputies failed to vote on the bill.

The Dominican Republic is not a Party to the World Trade Organization (WTO) Agreement on Government Procurement but has been an observer to the WTO Committee on Government Procurement since September 2022. The Dominican Republic has binding international procurement obligations under the CAFTA–DR.

INTELLECTUAL PROPERTY PROTECTION

The Dominican Republic was removed from the Watch List in the 2024 Special 301 Report. The Dominican Republic continues to demonstrate political will to improve intellectual property (IP) protection and enforcement, including the creation in December 2022 of the National Inter-Ministerial Council of Intellectual Property, to coordinate the agencies involved in IP protection and enforcement and ensure cooperation and information sharing. Despite this progress, some concerns remain with online and signal piracy and the widespread sale of counterfeit goods. The United States continues to urge the Dominican Republic to improve coordination among enforcement agencies and to ensure such agencies are adequately funded and staffed.

LABOR

A review of the Dominican Republic's progress on implementing specific recommendations from the United States to improve worker rights practices in the Dominican Republic sugar sector has been ongoing since the issuance of a U.S. Department of Labor (DOL) report in 2013. The DOL report, published in response to a submission from the public under the CAFTA–DR, raised concerns regarding labor law enforcement in the sugar sector related to acceptable conditions of work, the minimum age for work and the worst forms of child labor, and forced labor. In its seventh report of review, published in September 2022, the DOL detailed ongoing concerns and challenges in the Dominican Republic's sugar industry. Although the country's Ministry of Labor and sugar companies have made progress in some areas, the country still faces challenges related to labor law enforcement. Concerns remain about dangerous working

conditions, verification of pay and hours, unsuitable living conditions, workers' precarious legal status, and other potential labor rights abuses. The United States has also established a bilateral technical working group with the Dominican Republic under the CAFTA–DR to help improve labor law enforcement in the Dominican Republic sugar sector.

ECUADOR

TRADE AGREEMENTS

The United States–Ecuador Trade and Investment Council Agreement

The United States and Ecuador signed a Trade and Investment Council Agreement (TIC) in 1990. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Ecuador.

On December 8, 2020, the United States and Ecuador signed a Protocol on Trade Rules and Transparency (the Protocol), which entered into force on August 15, 2021. The Protocol is an update to the TIC and is an integral part of that Agreement, containing provisions that establish important commitments for increased trade facilitation, good regulatory practices, anticorruption policies, and cooperation and information sharing to benefit small and medium-sized enterprises. The Protocol establishes high-level trade rules that will improve opportunities for bilateral trade and investment in all sectors. The United States will continue to work with Ecuador to monitor the full implementation of the Protocol.

IMPORT POLICIES

Tariffs

Ecuador's average Most-Favored-Nation (MFN) applied tariff rate was 11.1 percent in 2023 (latest data available). Ecuador's average MFN applied tariff rate was 17.3 percent for agricultural products and 10.1 percent for non-agricultural products in 2023 (latest data available). Ecuador has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 21.9 percent.

When Ecuador joined the WTO in January 1996, it bound most of its tariff rates at or below 30 percent *ad valorem*; most products bound at higher rates are agricultural products covered by the Andean Price Band System (APBS). Ecuador agreed to phase out its participation in the APBS when it joined the WTO; however, as of December 2023 Ecuador had taken no steps to phase out use of the APBS. As a member of the Andean Community of Nations (CAN), Ecuador grants and receives exemptions from tariffs (*i.e.*, reduced *ad valorem* tariffs and no application of the APBS) for products from the other CAN countries.

Ecuador still imposes a mixed tariff (composed of an *ad valorem* tariff and a specific tariff) on approximately 360 products, including textiles and shoes. In some cases, the mixed tariff appears to result in a 40 percent *ad valorem* equivalent tariff rate.

Agricultural Products

Ecuador's continued use of the APBS affects many U.S. agricultural exports by subjecting them to a variable levy or surcharge (on top of an *ad valorem* tariff) that increases in absolute terms as world prices decrease.

Non-Tariff Barriers

Import Bans and Restrictions

COMEX Resolution 009-2022, which lists prohibited and restricted imports, was amended in August 2023 and includes: a revised list of products that require pre-shipment control documentation, updated automatic and non-automatic import license requirements, and a list of tariff subheadings subject to prior control documentation for products imported under quota within the framework of current trade agreements. The resolution also eliminated pre-shipment control documents for 601 tariff lines.

Import Licensing

Products subject to a non-automatic import license requirement include certain polymers.

Products subject to an automatic import license requirement include remanufactured parts of aviation engines; blocks and cylinder heads; cylinder liners, connecting rods, pistons, rings, carburetors, and their parts; valves, crankcases, injectors and other parts for fuel systems; and piston pins, among others.

Import Licensing for Agriculture Products

Ecuador subjects all food and agricultural imports to an import licensing regime. Stakeholders indicate that the review process for import licensing applications is often lengthy and lacks transparency. COMEX and the Ecuadorian Ministry of Agriculture (MAG) impose a further mandatory and cumbersome process for allocating import licenses for 55 agricultural tariff lines, including potatoes (including frozen french fries), beef, pork, chicken, turkey, soybean meal, beans, sorghum, and corn. For these products, an importer's total annual import allowance cannot surpass an amount determined by the MAG, in some cases in consultation with domestic producers of the same commodities. For most products subject to the licensing system, MAG also requires that interested parties provide sales and consumption forecasts before it will authorize imports. In the case of wheat, corn, soybean meal, and pork, the MAG requires proof that the product is being purchased locally to assign amounts for import licenses. Permits are limited to a single shipment, meaning that importers are required to repeat the lengthy application process each time they seek to import these products. In cases where import licenses are not approved, the Ecuadorian Government does not typically notify companies or provide a formal explanation for the denial.

The Ecuadorian Food Safety and Inspection Service (AGROCALIDAD) Resolution 115-2019 requires registration of processing facilities for veterinary inputs and for livestock products and byproducts to receive import licenses. Stakeholders claim that the facility registration regime requires disclosure of proprietary and confidential information.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

TECHNICAL BARRIERS TO TRADE

Cosmetics and Personal Care

Andean Community Resolution 2310, entered into force on December 17, 2024. This resolution includes technical regulations on labeling of cosmetic and personal care products. U.S. stakeholders have raised concerns with the resolution, including that it prohibits existing labels to comply with specific Andean Community labeling requirements, requires translation of brand names or generic terms like “eau de

toilette,” and requires the change of long-standing brand names or product names. Stakeholders also report that Ecuador’s Health Agency (ARCSA) was applying the resolution prior to its entry into force.

SANITARY AND PHYTOSANITARY BARRIERS

Terbufos

On July 19, 2024, the Phytosanitary Control Agency, an agency under the Ministry of Agriculture, issued Resolution 0102 prohibiting the import of products containing the active ingredient Terbufos and eliminating existing registrations of such products, as established by Decision 804 (August 2015) of the Andean Community regarding the “Andean Standard for the Registration and Control of Chemical Pesticides for Agricultural Use.”

GOVERNMENT PROCUREMENT

Government procurement in Ecuador can be cumbersome, nontransparent, and marked by corruption. Government institutions reportedly delay payments without explanation despite adequate provision of goods and services and proper work orders and receipts. The lack of transparency poses a risk that procuring entities will administer a procurement to the advantage of a preferred supplier.

Ecuador is not a Party to the WTO Agreement on Government Procurement (GPA) but has been an observer to the WTO Committee on Government Procurement since June 2019.

Government-to-Government Contracts with the Ministry of Defense

The Ecuadorian Ministry of Defense (MOD) invites foreign companies to participate in military purchasing processes through their respective countries’ embassies in Quito. According to Article 50 of the Regulation for the Procurement of Goods for National Defense, foreign embassies must submit a letter to MOD that authorizes technology transfer for these contracts. U.S. companies are unable to compete for these government-to-government contracts because the MOD does not recognize export licenses the U.S. embassy issues as equivalent to Article 50 requirements.

INTELLECTUAL PROPERTY PROTECTION

Ecuador remained on the Watch List in the [2024 Special 301 Report](#). Among other issues, enforcement of intellectual property (IP) rights against widespread counterfeiting and piracy remains weak both online and in physical markets.

In addition, the 2016 Code of the Social Economy of Knowledge, Creativity, and Innovation (COESCCI), also known as the Ingenuity Code, contains legislation covering multiple IP matters. In December 2020, Ecuador published the final regulations implementing the COESCCI. The regulations do not fully address concerns raised by the United States and stakeholders on issues related to copyright exceptions and limitations, patentable subject matter, and geographical indications. Ecuador’s National Intellectual Property Service continues to consider amendments to the COESCCI and to review feedback from stakeholders, though it has not communicated a timeframe for revisions.

The United States continues to engage with Ecuador on IP issues, including with respect to revisions to COESCCI and its implementing regulations, through the Special 301 process and the TIC.

SERVICES BARRIERS

Advertising

Ecuador's Organic Communications Law (LOC) and its implementing regulations have traditionally banned all foreign-produced advertisements in Ecuadorian media outlets. Advertisements were only considered "national" if a majority of the production company's shareholders were citizens or legal residents of Ecuador and if at least 80 percent of those contributing to an advertisement's production were Ecuadorian citizens or legal residents. In August 2023, Ecuador published a new regulation that clarifies that the LOC considers "national" advertisements to include those produced in a country with which Ecuador has signed an integration treaty. The definition of an integration treaty is not spelled out in the regulation, but private sector companies have interpreted the change to be a relaxation of LOC rules on advertisements. The requirement that 80 percent of those contributing to an advertisement's production be Ecuadorian citizens or legal residents remains in place.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Data Localization

The Law for the Development of Technological Financial Services (Fintech Law) came into force in December 2022. The Fintech Law amended Article 146 of the Ingenuity Code, which had previously required the localization of strategic sector and national security data. The reform established a classification of data that includes open, reserved, and confidential data. While the Fintech Law maintains data localization requirements for reserved and confidential data, it eliminated the localization requirement for other categories of data. Consequently, companies will now be able to provide storage services for some Ecuadorian data from data centers outside Ecuador. However, under the Ministry of Telecommunications (MINTEL) Agreement 141 of 2011, customers must contract with cloud services providers that rely on data centers outside Ecuador through the National Telecommunications Corporation (CNT), a state-owned company, as a local partner.

Personal Data Protection

In May 2021, Ecuador's first Personal Data Protection Law went into effect. On March 28, 2024, Ecuador appointed a Personal Data Protection Superintendent to implement the law. The law establishes that Ecuadorian personal data can only be transferred to organizations or territories that provide adequate levels of protection, a standard yet to be defined by the regulating body creating regulatory uncertainty for U.S. companies. The law also establishes fines on data protection infractions that will come into force in the near term. The penalties range between 0.7 percent and one percent of revenues, based on business volume. The Superintendency issued resolution No. SPDP-2024-0002-R on September 6, 2024 to establish a technical guide for the registration of special proxies for foreign data controllers and data processors that perform personal data processing activities. Resident and non-resident companies had six months (*i.e.*, until March 2025) to comply with these requirements. The United States is committed to working with Ecuador on data protection and privacy issues including conversations to ensure mutual participation in multilateral data privacy certification arrangements that provide a mechanism for companies to facilitate international transfers of personal data in baseline compliance with the laws of participating jurisdictions.

INVESTMENT BARRIERS

In May 2017, Ecuador's National Assembly voted to terminate 12 of the country's Bilateral Investment Treaties (BITs), including the United States–Ecuador BIT. The United States–Ecuador BIT was terminated

on May 18, 2018, but the sunset provisions of the Agreement protect U.S. investments predating May 18, 2018 for 10 years following the date of termination.

Capital Exit Tax

Ecuador levies a capital exit tax (ISD) on any form of currency outflow in cash, debit and credit cards, checks, and Internet payment methods. In 2021, Ecuador committed to the gradual phaseout of the 5 percent ISD over four years and issued Executive Decree 182 in August 2021, eliminating the ISD for the aviation industry as a first step. In January 2023, Ecuador issued Executive Decree 643, which committed to gradually reducing the ISD to 2 percent by December 2023. Subsequently, the government paused ISD reduction at 3.5 percent in 2023 due to fiscal challenges. In February 2024, Ecuador increased the ISD to 5 percent as of April 1, 2024.

Other Investment Barriers

Ecuador's Energy and Mines Ministry (MEM) has identified illegal mining as a significant deterrent to foreign investment. Ecuador is undertaking efforts to combat illegal mining but lacks adequate resources. The United States has ongoing initiatives to train Ecuadoran authorities to identify and deter illegal mining.

Since 2018, Ecuador's registry of mining concessions has been closed, creating a barrier for new mining investments. However, even with a closed registry, the national mining company, ENAMI EP, can still request mining concessions from MEM. MEM has received international assistance to update its mining tender process and model agreements to meet international standards of transparency and bankability.

SUBSIDIES

Ecuador offers tax benefits to some exporters through the 2019 Law on Tax Simplification and Progressivity. These include benefits for income taxes, value-added taxes, and excise taxes dependent on the sector and size of the exporter.

In February 2024, Ecuador issued regulations to the 2023 Economic Efficiency Law that allow investment contracts to freely manage and transfer funds, promote public-private partnerships, offer a five percent income tax reduction for new and existing companies, and establish procedures for Free Trade Zones.

In June 2024, Ecuador partially eliminated the subsidy for low-octane gasolines and introduced a price stabilization system allowing prices to rise up to five percent or fall up to ten percent monthly, based on international oil prices. Ecuador maintains a subsidy on the purchase of domestic diesel fuel, which lowers the price to less than 50 percent of the unsubsidized market price. Due to subsidies, it is not profitable for a private company to import fuels at market prices.

In October 2024, Ecuador announced the removal of the electricity subsidy for mining companies.

STATE-OWNED ENTERPRISES

Telecommunications

MINTEL's ministerial agreement (MA), MINTEL 141-2011, restricts government procurement of technology services such as fixed telephony, advanced mobile service, internet services, blockchain, cloud computing and hosting, artificial intelligence, and virtual reality. Such services must be procured through CNT. Ecuador exempts CNT from paying spectrum fees.

EGYPT

TRADE AGREEMENTS

The United States–Egypt Trade and Investment Framework Agreement

The United States and Egypt signed a Trade and Investment Framework Agreement (TIFA) on July 1, 1999. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Egypt.

IMPORT POLICIES

Tariffs

Egypt's average Most-Favored-Nation (MFN) applied tariff rate was 19 percent in 2023. Egypt's average MFN applied tariff rate was 65.1 percent for agricultural products and 11.6 percent for non-agricultural products in 2023. Egypt has bound 99.4 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 36.9 percent.

On June 9, 2022, Egypt lowered tariffs under Decree No. 218/2022 on over 150 categories of imported products, including pharmaceuticals and natural gas-powered automobiles, with most reductions aimed at capital goods and inputs for agriculture and industry. These lowered tariff levels remained in place in 2024. Tariffs on agricultural equipment, fertilizer, and seeds have dropped from 5 percent to 2 percent. Tariffs on industrial vehicles, such as aircraft, tractors, railcars, and ships, have fallen from 40 percent to 2 percent, and the duty on natural gas-powered automobiles has fallen from 30 percent to 2 percent. In 2023, under Decree No. 67/2023, Egypt reduced tariffs on imported components for local mobile phone production including peripherals such as headphones, batteries, and cameras, which had ranged from 5 percent to 30 percent, down to 2 percent.

Egypt's tariff on passenger cars with engines of 1600 cubic centimeters (cc) or less is 40 percent, and its tariff on cars with engines of greater than 1600 cc is 135 percent. Tariffs on a number of processed and high-value food products, including poultry, meat, apples, pears, cherries, and almonds, range from 20 percent to 30 percent. Alcoholic beverages for use in the tourism sector have a 300 percent tariff plus a 40 percent sales tax. The tariffs on alcoholic beverages for use outside the tourism sector range from 1,200 percent on beer and 1,800 percent on wine to 3,000 percent on sparkling wine and spirits.

On June 3, 2023, the Egyptian Ministry of Finance issued a statement indicating that importers are required to make an advance payment of 1 percent of the estimated taxes and fees due on imported goods, instead of the 30 percent payment previously required. Importers will pay the balance in addition to the customs tariffs when the goods arrive in Egypt.

In November 2021, Egypt increased tariffs under Decree 558/2021 for a number of products, including mobile phones. To date, Egypt continues to impose a 10 percent duty on mobile phones. U.S. stakeholders have asserted that Egypt's tariffs on mobile phones appear to be in excess of its WTO bound rates.

Non-Tariff Barriers

Import Restrictions

In July 2006, Egypt issued Ministerial Decree No. 766/2006, lifting the ban on imports of frozen whole birds from all origins. The decree does not reference the import of poultry parts and offal as being permissible, which acts as a *de facto* ban on U.S. chicken limb and offal exports to Egypt. In 2022, Egypt began allowing shipments of chicken leg quarters from the United States on a limited basis. The United States pushed to expand access for poultry at the October 2024 TIFA meeting in Washington and continues to make this request.

Import Licensing

The National Food Safety Authority (NFSA) must register and approve all nutritional supplements, specialty foods, and dietary foods according to NFSA Decision No. 1/2018 on the Rules Governing the Registration and Handling of Foods for Special Dietary Uses. Importers must apply for a license to import specialty food products and renew the license every five years. License renewals can cost up to \$1,000 per renewal, depending on the product. In December 2021, the NFSA issued Decree No. 11/2021, which more than doubled the cost of conducting an inspection of imported food.

Customs Barriers and Trade Facilitation

Egypt's Customs Authority continues to employ reference pricing when assessing duties. Egypt's Customs Valuation Committee often engages in lengthy deliberations without coming to a final decision on customs valuation appeals filed by U.S. businesses. Egyptian Ministerial Decree No. 86/2023 established a committee to plan for and implement an advance ruling system, following significant engagement by the U.S. Government through the TIFA dialogue and in other bilateral and multilateral fora. The U.S. Government is working closely with Egypt's Customs Authority on the implementation of an advance ruling system, including on the draft regulation.

Egyptian Ministerial Decrees No. 283/2023 and No. 284/2023 implemented a new integrated risk management system for inspecting imported non-food industrial goods. Egyptian Ministerial Decree No. 347/2023 introduced amended customs procedures to facilitate transit trade.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Vehicles

U.S. vehicle and automotive parts exports face significant barriers in Egypt. In 2012, Egypt became a Contracting Party to the United Nations Economic Commission for Europe (UNECE) 1958 Agreement. As of June 2014, Egypt has applied European Union regional emissions and UNECE safety standards for vehicles and automotive parts, thereby blocking imports of U.S. vehicles that meet comparable U.S. regulatory emissions and safety standards. Egyptian law also prohibits the importation of used vehicles for commercial purposes, pursuant to Ministerial Decree No. 580/1998 and Annex 2 to Ministerial Decree No. 770/2005.

As noted above, Egypt does not recognize U.S. Federal Motor Vehicle Safety Standards (FMVSS), even though U.S. standards achieve comparable regulatory goals. As a result, exports of these goods to Egypt have declined significantly since 2015. The United States has raised this issue in TIFA Council meetings, including the October 2024 TIFA dialogue. As part of the U.S. effort to persuade Egypt to accept vehicles conforming with FMVSS, the United States conducted a regulatory assessment in June 2022 of automotive safety standards. Furthermore, the United States and Egypt held technical consultations and discussions in May 2023 and February 2024 to assist Egypt in understanding FMVSS and the U.S. automotive safety regulatory system so as to allay Egyptian concerns. U.S. and Egyptian stakeholders continue to work together to agree on a mutually satisfactory approach for Egypt to accept FMVSS.

Halal Import Requirements

In August 2021, the Government of Egypt announced that it would extend the scope of its halal certification requirements to include dairy and other agricultural products in addition to the existing requirement for imports of poultry and meat products. It also announced that IS EG Halal, a private U.S. company, would be the sole certifying body approved to certify exports to Egypt as halal. In December 2021, Egypt notified this measure to the WTO Committee on Technical Barriers to Trade (TBT Committee) with an implementation date of January 29, 2022. However, following U.S. and other WTO Members' requests, Egypt postponed implementation multiple times, most recently until January 1, 2026. The lack of transparency and the uncertainty created by these new requirements has contributed to a drop in U.S. dairy exports to Egypt. In 2022, the volume of U.S. dairy exports dropped 54 percent to 15 million tons. In 2023, it dropped another 12 percent and a further 20 percent in 2024.

In 2024, Egypt published Decision No. 1 of 2023 of the Ministry of Agriculture and Land Reform, General Organization for Veterinary Services, which establishes eligibility requirements for accredited halal certification bodies authorized by the Government of Egypt. As written, the eligibility requirements specified would exclude all U.S. halal certification bodies. In 2024, the Government of Egypt sent a Note Verbale to the U.S. Embassy informing the United States that Halal Markets, LLC would act as a service provider company for IS EG Halal Egypt. However, there has been a lack of information about this entity and the specific role it will have in the halal certification and export of relevant U.S. products to Egypt, despite numerous requests by the United States for clarification. The United States has engaged in bilateral and multilateral fora with Egypt to request that Egypt bring certainty, predictability, and fairness to its halal policy implementation efforts by publishing an implementing regulation and notifying all relevant measures. To ensure uniform implementation, Egypt should provide clarification concerning fee structures, documentation requirements, and production process requirements. Additionally, the United States has requested that Egypt allow U.S. and other halal certification bodies to continue certifying product destined for Egypt, and to suspend any new requirements until additional transparency and flexibility are in place.

The sole certification body and lack of certainty on program details appear to have impaired U.S. producers' ability to export to the country, raising concerns under the WTO Agreement on Technical Barriers to Trade. The United States continues to assess the situation and actively engage with Egypt regarding these matters, including through the TIFA dialogue and in other bilateral and multilateral fora.

Sanitary and Phytosanitary Barriers

Seed Potatoes

The United States remains unable to export seed potatoes to Egypt because the Egyptian Ministry of Agriculture Central Administration for Plant Quarantine (CAPQ) has not reached consensus with the U.S. Department of Agriculture Animal and Plant Health Inspection Service (APHIS) on pest risk mitigation

measures. Despite several rounds of bilateral technical meetings and numerous exchanges of information, U.S. seed potatoes remain barred from Egypt for over 15 years.

INTELLECTUAL PROPERTY PROTECTION

Egypt remained on the Watch List in the [2024 Special 301 Report](#). Egypt has made some efforts to strengthen intellectual property (IP) protection and enforcement, including by passing Law No. 163/2023 in August 2023 to establish the Egyptian Agency for Intellectual Property. Egypt also adopted a new national IP strategy and a system to facilitate information sharing among customs offices on potential counterfeiting and published patent examination guidelines for biotechnology. Despite these improvements, concerns remain. Egypt continues to lack deterrent-level penalties for IP violations and *ex officio* authority for customs officials to seize counterfeit and pirated goods at the border. Stakeholders have raised concerns regarding the lack of an effective mechanism for the early resolution of potential patent disputes and the mandatory requirement to record trademark licenses. Additionally, Egypt is not currently a member of the World Intellectual Property Organization (WIPO) Performances and Phonograms Treaty or the WIPO Copyright Treaty.

SERVICES BARRIERS

Express Delivery Services

The Egyptian National Post Organization (ENPO) must grant special authorization to foreign-owned private courier and express delivery service suppliers seeking to operate in Egypt. Although express delivery services constitute a separate market, the ENPO requires private foreign express delivery operators to pay a postal agency fee of 10 percent of annual revenue on shipments of less than 35 kilograms (approximately 77 pounds.). Civil Aviation Decree 607/2015 and its amendment, Decree No. 523/2018, require all courier and express delivery services to have at least 60 percent Egyptian ownership and air freight agents to have at least 51 percent Egyptian ownership.

Financial Services

No legal barriers prohibit foreign banks from establishing branches in Egypt. In May 2023, the Central Bank of Egypt granted a license under the Central Bank and Banking Act (Law 194/2020) to London-based Standard Chartered Bank to establish a branch in Egypt, the first new commercial banking license issued to a foreign bank since 1979. In July 2024, the Central Bank published the regulations and procedures for banks to acquire digital banking licenses and granted preliminary approval to Digital Innovation Company, a subsidiary of Banque Misr, to launch the country's first digital bank, Onebank. Three state-owned banks (Banque Misr, Banque du Caire, and the National Bank of Egypt) control approximately 60 percent of the banking sector's total assets.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Egypt's Personal Data Protection Act, Law No. 151/2020, requires licenses for cross-border data transfers. The United States is monitoring the implementation of this law and its draft regulations, which are expected to be implemented by the Data Protection Authority. The Data Protection Authority had not been established as of October 2024. The United States has engaged with Egypt regarding best practices for privacy and data security through technical assistance engagements in September 2023 and June 2024, and will continue to engage with Egypt through various bilateral and multilateral fora.

INVESTMENT BARRIERS

Egypt implemented investment Law No. 72/2017 in 2017 to address longstanding complaints of foreign investors. Although the law allows foreign investors to operate sole proprietorships and partnerships, it continues to limit the number of non-nationals working at any business to 10 percent of the workforce, or up to 20 percent of the workforce if it is not possible to find Egyptian citizens with the necessary qualifications. Egypt restricts foreign equity in construction and transport services to 49 percent.

Since 2023, Egypt has undertaken numerous reforms to its investment-related laws to reduce barriers and expand opportunities for foreign investment. On April 11, 2023, Egyptian Ministerial Decree No. 141/2023 established the Supreme Council for Investment, replacing the Investment Council established in 2016. On July 25, 2023, Egypt passed Law No. 160/2023, which amends Law No. 72/2017. Law No. 160/2023 introduced new investment incentives and expanded the Golden License program—a platform that streamlines permits and approvals required to establish a business. In March 2023, Ministerial Decree No. 876 amended Ministerial Decree No. 3099 of 2019, allowing investors to obtain residency by investing in real estate or bank deposits. In May 2023, the Prime Minister approved amendments to the executive regulations for the Investment Law (Law 72 of 2017) to permit foreign investors to obtain a one-year residency permit, which may be renewed for the duration of their investment project.

On October 29, 2023, Egypt issued Law No. 173/2023 amending the Importers Registry Law No. 121/1982 of 1982, lifting the existing 51 percent minimum Egyptian ownership requirement for importers of record. It also made Egyptian companies with foreign ownership eligible to receive an importation license for a 10-year term, subject to meeting other qualifying conditions for the license such as minimum capital reserves or sales revenue. In February 2024, Egypt ratified Law No. 11/2024, amending the Desert Lands Law (No 143/1981), removing any sector-specific limitations to investment that restricted foreign investors and foreign shareholder companies from owning lands in the Sinai Peninsula.

EL SALVADOR

TRADE AGREEMENTS

Dominican Republic–Central America–United States Free Trade Agreement

The Dominican Republic–Central America–United States Free Trade Agreement (CAFTA–DR) entered into force for the United States and El Salvador on March 1, 2006, for Honduras and Nicaragua on April 1, 2006, for Guatemala on July 1, 2006, for the Dominican Republic on March 1, 2007, and for Costa Rica on January 1, 2009. The United States and the other CAFTA–DR countries meet regularly to review the implementation and functioning of the Agreement and to address outstanding issues.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

As a member of the Central American Common Market, El Salvador applies a harmonized external tariff on most items at a maximum of 15 percent, with some exceptions. Under the CAFTA–DR, as of January 1, 2015, U.S. non-agricultural goods enter El Salvador duty free.

In addition, nearly all U.S. agricultural exports enter El Salvador duty free under the CAFTA–DR. El Salvador eliminated its tariffs on rice, yellow corn, and chicken leg quarters in January 2023, and eliminated tariffs on dairy products on January 1, 2025. El Salvador is required under the CAFTA–DR to make Tariff rate quota (TRQs) available on January 1 of each year. El Salvador monitors its TRQs through an import licensing system, which the United States carefully tracks to ensure the timely issuance of these permits.

Taxes

El Salvador, under its general alcoholic beverage law, assesses a specific excise tax on distilled spirits that is applied on a per-liter of alcohol basis, with four specific rates (\$0.0325 per liter, \$0.05 per liter, \$0.09 per liter, and \$0.16 per liter). The lowest rate applies only to aguardiente, a locally bottled spirit made from cane sugar. Whiskey, which is exclusively imported, is assessed at the highest rate. Distinctions between types of distilled spirits result in lower tax rates on domestically produced spirits compared to imported products.

Non-Tariff Barriers

Customs Barriers and Trade Facilitation

U.S. companies have expressed concerns regarding the inconsistent and discretionary application of customs regulations and procedures, resulting in unpredictable delays and administrative fines. For example, exporting from a duty-free zone is unduly cumbersome, with a requirement that representatives of the receiving company and the shipping company be physically present for the exchange of documents and release of materials. In part to address these concerns, the Salvadoran Government is piloting a program to move duty-free processing online. Additionally, the customs valuation process for imports of express shipments is not clear.

The United States continues to monitor customs practices and offer technical assistance.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

El Salvador requires a Certificate of Free Sale to register meat products. The Ministry of Health agreed in 2019 to accept the U.S. Department of Agriculture (USDA) Food Safety Inspection Service Form 9060-5 Meat and Poultry Export Certificate of Wholesomeness for meat and meat products in lieu of the Certificate of Free Sale. Additionally, under the CAFTA–DR, El Salvador granted equivalence to the U.S. sanitary inspection system for beef, pork, and poultry and poultry products, which may make the health certificate requirement unnecessary or duplicative for U.S. exports. Unnecessary and duplicative import requirements provide no discernable food safety benefits and, if the duplicative requirements result in higher prices, also can make U.S. products less competitive in the local marketplace. The United States continues to monitor these import requirements. The United States continues to offer comprehensive technical assistance to support El Salvador’s efforts to bolster, while streamlining, its border procedures.

Sanitary and Phytosanitary Barriers

Animal product exporting facilities are subject to Ministry of Agriculture (MAG) inspection and certification every three years. Because the CAFTA–DR provides equivalence for the U.S. beef, pork, and poultry inspection systems, the inspection and certification requirements apply to only U.S. animal products not covered by the CAFTA–DR, such as pet food and pet food additives or probiotics.

Extensive laboratory tests are mandatory for all new imported food products, including samples, even for those low-risk products that are permitted into other markets without testing. To register product samples, the Sanitary Regulation Superintendency (SRS) requires large quantities of the product for testing, including samples of each available flavor of the same product. In addition, SRS only accepts laboratory results from the Ministry of Health’s lab, thus delaying the product registration process. USDA continues to discuss with Salvadoran Government officials a proposal to accept U.S. laboratory results for registration purposes.

The Salvadoran Government requires that grain shipments be fumigated at importers’ expense unless they are accompanied by a certificate stating that the grain is free of weed seeds and free from kernel smut pathogen (*Tilletia barclayana*). Because no chemical treatment is both practical and effective against this fungus, USDA Animal and Plant Health Inspection Service cannot issue these certificates. As a result, MAG fumigates all grain shipments at the point of entry to El Salvador.

GOVERNMENT PROCUREMENT

U.S. companies have expressed concerns that Salvadoran Government agencies are not always providing sufficient advance notice to foster wide participation in bidding procedures, particularly complex infrastructure works or public-private partnership projects.

On March 23, 2023, the Public Procurement Law for government entities and municipalities took effect, replacing the Public Administration and Procurement Contracting Law that had been in force since 2000. The new legislation establishes the National Directorate of Public Procurement, an autonomous entity charged with dictating policies and regulations for government purchases and overseeing contract execution. The legislation has a framework for new purchasing methods, such as competitive bidding for

contracts over \$87,600, price comparison for contracts under \$87,600, and electronic product catalogues for framework agreements for purchases under \$87,600, among others. However, strategic infrastructure projects, municipal projects executed under the Directorate of Municipal Works, and purchases by subsidiaries of state-owned companies are exempt. As of December 31, 2024, some implementing regulations remained pending.

El Salvador has been operating under a State of Exception since March 2022, which has been extended on a monthly basis. As part of the State of Exception's implementation, the Salvadoran Government enacted a law, for the length of the State of Exception, that allows the Executive branch to enter negotiations and make direct purchases of goods and services related to the State of Exception without adhering to the Public Procurement Law.

El Salvador is neither a Party to the WTO Agreement on Government Procurement, nor an observer to the WTO Committee on Government Procurement. El Salvador has binding international procurement obligations under the CAFTA–DR.

INTELLECTUAL PROPERTY PROTECTION

To implement its CAFTA–DR obligations, El Salvador undertook legislative reforms providing for stronger intellectual property (IP) protection and enforcement, entering into an Accelerated Patent Grant (APG) agreement with the United States Patent and Trademark Office, and launched a national strategy on intellectual property. However, several concerns remain, including with counterfeit products, music and video piracy, and the unlicensed use of software. The United States remains concerned about the adequacy of implementing regulations to protect against the unfair commercial use, as well as unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products. The effectiveness of the IP system to address patent issues expeditiously in connection with applications to market pharmaceutical products is unclear. Additionally, the United States continues to engage El Salvador to ensure protections for geographical indications do not negatively impact the existing rights and market access of U.S. stakeholders. The United States will continue to monitor El Salvador's implementation of its IP obligations under the CAFTA–DR.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Data Localization Requirements

On August 17, 2021, the Legislative Assembly passed amendments to the Credit History Law. The amendments introduced data localization requirements mandating credit bureaus and economic agents that report on credit history to store data exclusively in El Salvador and grant unrestricted access to the Central Bank and the Superintendence of the Financial System. U.S. stakeholders have expressed concerns that these requirements could compromise consumer data privacy and protection. The United States continues to engage El Salvador on this issue.

ETHIOPIA

IMPORT POLICIES

Tariffs

In September 2021, the Government of Ethiopia lifted taxes and tariffs on the importation of wheat, rice, sugar, and edible oil to address rising inflation.

Ethiopia's average Most-Favored-Nation (MFN) applied tariff rate was 15.6 percent in 2023 (latest data available). Ethiopia's MFN applied tariff rate averaged 20.5 percent for agricultural products and 13.9 percent for non-agricultural products in 2023 (latest data available).

Ethiopia implemented tariff reductions for certain raw materials, intermediate goods, and capital goods to promote the growth of the manufacturing sector in 2021. Ethiopia is not a Member of the World Trade Organization (WTO) and so has no bound tariff rates. Ethiopia has prioritized WTO accession as part of its economic reform program and has committed to working with the United States in the hopes of becoming a Member in 2026.

Non-Tariff Barriers

Import Bans and Import Restrictions

Ethiopia prohibits imports of used clothing and used or refurbished medical equipment intended for resale. Imports of other goods intended for resale or commercial purposes are permitted, provided payment transactions are carried out through Ethiopian banks. In August 2024, the Finance Ministry relaxed import restrictions on some of the 38 product categories that were previously banned in October 2022. In July 2024, Ethiopia's Ministry of Transport and Logistics renewed an import ban on new and used internal combustion engine vehicles for personal and commercial use, originally in effect January 2024. This ban ostensibly only permits the import of electric vehicles into Ethiopia.

Import Licensing

As of July 2023, Ethiopia's Ministry of Trade and Regional Integration is responsible for issuing online import licenses, a task previously delegated to regional authorities. The online license process is not available in some outlying regions due to lack of internet connectivity. In addition to obtaining an import business license, importers must obtain an import registration number before bringing a product into the country.

Customs Barriers

Companies complain the Ethiopia Customs Commission frequently changes regulations with no warning, leading to costly delays as goods sit in port while the companies attempt to adjust to new requirements.

SANITARY AND PHYTOSANITARY BARRIERS

In preparation for the African Continental Free Trade Area, the Government of Ethiopia is exerting considerable effort to harmonize its national sanitary and phytosanitary (SPS) standards with standards used in African Regional Economic Communities, such as the Common Market for Eastern and Southern Africa

and the Intergovernmental Authority on Development. When a national standard is not available for a specific product, Ethiopia defers to the Codex Alimentarius Commission standards. Furthermore, Ethiopia is investing in the expansion of national and regional laboratories, quarantine stations, and standards for quality assurance. SPS-related barriers that impede international trade in Ethiopia are associated with cumbersome requirements for registration and approval of imported products, such as processed foods, planting seeds, fertilizer, and plant protection products.

In September 2022, the Ethiopian Environmental Protection Authority issued an environmental clearance for genetically modified maize, which is a drought-tolerant and insect-resistant variety of maize. If approved for commercial cultivation, the maize would be the first genetically modified food crop in Ethiopia. Stakeholders report that the approval process for commercial imports of genetically modified grains and oilseeds for food and feed remains overly burdensome.

Animal Feed

Ethiopian regulations prohibit genetically modified feeds and those containing growth stimulating hormones for entry into the Ethiopian market. Importers are required to provide attestation or evidence that the product is free from genetically modified ingredients, although exceptions exist for non-commercial imports of food and feed products, including those for emergency relief purposes, food assistance, and scientific research.

Animals and Animal Genetic Materials

Ethiopia prohibits the importation of animals and animal genetic materials containing genetically modified organisms or living modified organisms.

Infant Formula/Powdered Milk

Ethiopian food regulations prohibit the importation of baby food, such as powdered milk or infant formula, containing genetically modified ingredients.

Live Cattle

Ethiopia has stringent protocols for live cattle imports. The protocol requires vaccination for infectious bovine rhinotracheitis (IBR) disease prior to export, and the vaccine used must be a marker vaccine to distinguish between infection and vaccination. The protocol generally requires strict IBR diagnostic testing for existing breeding cattle herds and newly introduced animals, along with the removal of any animals that test positive. U.S. Department of Agriculture Animal and Plant Health Inspection Service (APHIS) has been working with Ethiopian regulatory authorities to amend these requirements in line with World Organization for Animal Health (WOAH) guidelines. APHIS proposed to require testing only for animals that have not been vaccinated against IBR and advised Ethiopian regulators that post-vaccination testing can lead to false positive results. However, Ethiopian authorities have not agreed to allow U.S. cattle for export to either test negative or be vaccinated for IBR in line with Chapter 11.8 of the WOAH Code.

GOVERNMENT PROCUREMENT

Some Ethiopian Government tenders are open to foreign participation and tender announcements are usually public, but many major procurements do not go through a transparent tendering process. Obstacles to foreign participation in government procurement tenders include complicated and inadequately established procedures, repeated cancellation of published requests for proposals, capacity gaps on the part

of procurement agencies, delays in decision-making, lack of public information, and corruption. Furthermore, since 2018, several dozen government procurement officials across a variety of Ethiopian Government agencies have been arrested for corruption as part of a broader reform effort.

As of December 31, 2024, nearly all 170 Ethiopian federal institutions have begun to process electronic procurements aimed at increased transparency and accountability. Lack of technological infrastructure and capacity limitations, however, challenge the full implementation of electronic procurement.

Ethiopia has been engaged in the WTO accession process since 2003 but is not yet a Member and, therefore, it is neither a Party to the WTO Agreement on Government Procurement (GPA) nor an observer to the WTO Committee on Government Procurement.

INTELLECTUAL PROPERTY PROTECTION

Inadequate intellectual property (IP) protection and enforcement remain a serious concern in Ethiopia. Ethiopia is a member of the World Intellectual Property Organization (WIPO) and has demonstrated an interest in strengthening its IP regime. Ethiopia is not a member of most major international IP treaties, including the Berne Convention for the Protection of Literary and Artistic Works, WIPO Internet Treaties, and the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights. On October 1, 2024, the Ethiopian Council of Ministers approved the country's accession to two IP treaties: the Paris Convention for the Protection of Industrial Property and the Madrid Protocol for the International Registration of Marks. Both ratification documents were awaiting parliamentary endorsement as of December 31, 2024. Trademark infringement, especially in the hospitality and retail sectors, continues to be an issue. IP enforcement is inconsistent due to lacking enforcement capacity and coordination among Ethiopian government agencies. The Ethiopian Intellectual Property Authority is responsible for the administration of IP laws, as well as the determination of disputes through the Intellectual Property Tribunal. Actions to combat the sale of counterfeit goods and piracy remain inadequate.

SERVICES BARRIERS

Financial Services

In December 2024, Ethiopia's Parliament approved a banking proclamation allowing foreign banks to enter the country's financial sector, although the proclamation text had not yet been published as of that time. The new law allows greater foreign ownership of Ethiopian banks, allowing foreign banks to open branches, establish subsidiaries, or purchase stakes in existing Ethiopian banks. However, the law still limits foreign ownership of Ethiopian banks, restricting the combined foreign-owned share of Ethiopian banks to 49 percent. The proclamation further requires foreign banks to include Ethiopian citizens on their boards and reportedly limits foreigners to one seat on the boards of Ethiopian banks.

Few international banks maintain representative offices, and all trade financing is required by law to go through an Ethiopian bank. This creates significant challenges for foreign investors with accounts outside Ethiopia. On December 24, 2022, Ethiopia's Parliament approved the opening of digital financial services to foreign companies to expand financial services in geographic areas underserved by traditional banks, increase competition in the telecommunications industry, and to facilitate the exchange of technology and knowledge. In September 2023, for the first time, the National Bank of Ethiopia allowed some foreign direct investors to open accounts outside Ethiopia to service external debts, pay for foreign insurance and warranty claims, meet financial obligations to foreign contractors, and cover other foreign capital and operational expenses.

In November 2023, a U.S.-backed leasing company, which was the only foreign-owned financial services company operating in Ethiopia, closed in response to a multi-year dispute with the Government of Ethiopia over its prohibitions of U.S. dollar-dominated lease agreements.

The Council of Ministers approved a bill in June 2024 that would allow foreign banks to open local subsidiaries, branches, or representative offices. Foreign banks would also be allowed to acquire shares in existing banks, although foreign ownership and foreign-owned Ethiopian organizations are limited to no more than 40 percent of total shares. The bill was passed by parliament on December 17, 2024.

INVESTMENT BARRIERS

Many formal and informal barriers impede foreign investment in Ethiopia. The 2020 Investment Law allows foreign investors to invest in any area except those that are clearly reserved for domestic investors. The law reserves banking, insurance, microfinance, electricity transmission and distribution, and retail and wholesale trade for domestic investors. Foreign investors can jointly invest as minority stakeholders with domestic investors in areas such as freight forwarding and shipping, domestic air transportation services, cross-country public transport services, advertisement and promotion, and accounting and auditing services. For joint ventures with state-owned enterprises (SOEs), some investors report that the government informally encourages foreign investors to hire local labor and utilize domestic raw materials.

STATE-OWNED ENTERPRISES

Although the Government of Ethiopia has launched processes to fully or partially privatize some SOEs, most notably under the Homegrown Economic Reform Plan, SOEs continue to dominate major sectors of the economy. These include the telecommunications, power, banking, insurance, air transport, certain agricultural processing, industrial parks, and shipping industries. Many SOEs maintain a monopoly over their respective sectors, which allows the Government of Ethiopia to dictate prevailing rates for many goods and services. U.S. investors complain of the lack of a level playing field when it comes to SOEs. In 2019, the Government of Ethiopia passed a law that prohibits certain SOEs from accessing new loans and instructs them to focus on completing outstanding projects. SOEs, however, have considerable advantages over private firms, such as expedited customs clearance processing, priority access to financing and foreign currency from the Commercial Bank of Ethiopia, preferences in government tenders and land acquisition, and marketing assistance. In December 2021, the Government of Ethiopia established Ethiopian Investment Holdings, a sovereign wealth fund, to prepare over 40 SOEs for full or partial privatization. The Government of Ethiopia has offered to sell eight state-owned sugar enterprises and a 45 percent stake in Ethio Telecom to foreign bidders. Thus far, Ethiopia has failed to attract interest in the Ethio Telecom stake, closing auctions with no successful bidders in 2021, 2022, or 2023.

Transport and logistics are predominantly conducted by SOEs in Ethiopia, and monopolistic market conditions in multimodal transport operations and inadequate infrastructure inhibit private sector logistics companies. Consequently, logistics costs comprise approximately 22 percent to 27 percent of final costs for many products and shipping and freight costs are approximately 60 percent higher than in neighboring countries. Under the framework of a comprehensive logistics strategy, the Government of Ethiopia has slated the logistics sector for liberalization, and Ethiopian Railways officials report the border crossing process between Ethiopia and Djibouti by train has been streamlined. On October 13, 2024, the Minister of Transport and Logistics proposed a policy allowing foreign investors to own 100 percent of logistics companies, an increase from the previous cap of 49 percent. The policy must be approved by the Council of Ministers.

OTHER BARRIERS

Bribery and Corruption

Ethiopian and foreign businesses routinely encounter corruption in tax collection, customs clearance, and land administration. Some U.S. businesses operating in Ethiopia reported that they were frequently solicited for bribes to secure business contracts. Tax administration in Ethiopia is corrupt and inefficient, and the Ethiopian Government supplements revenues by levying higher taxes on foreign investors and businesses and limiting their ability to appeal tax levies. U.S. and other foreign companies complain they are unfairly targeted for tax collection compared with local companies and are presented with spurious tax bills. In November 2022, the Government of Ethiopia recognized corruption as a threat to national security and an obstacle to doing business and formed a new National Anti-Corruption Committee led by the head of the National Intelligence and Security Service. Between June 2023 and June 2024, the Ministry of Justice Anti-Corruption Directorate prosecuted 186 cases, resulting in 164 convictions.

Commercial Code Enforcement

In 2021, Ethiopia reformed its Commercial Code for the first time in 62 years, aiming to bring its commercial law in line with international best practices and address business community concerns. Implementation of the new code across ministries is ongoing, which is expected to lessen the difficulty of doing business in Ethiopia by facilitating trade license registration and renewal, providing registration exemptions for some companies, and allowing new and different types of businesses to form and operate in Ethiopia. Some members of the business community have expressed concern about inconsistent enforcement of the new code.

Foreign Currency Controls

Foreign exchange shortages have been a significant barrier to business transactions, including trade transactions and remitting profits and dividends. In July 2024, Ethiopia shifted to a market-determined foreign exchange regime, moving from a fixed exchange rate to a floating exchange rate. The Government of Ethiopia expects the new foreign market to ease businesses' access to foreign exchange. However, there are reports of foreign exchange shortages in the early stages of this market's development. As a result, there has been difficulty in obtaining foreign currency, hampering manufacturers' ability to import goods and repatriate profits, despite laws allowing investors to remit profits and dividends. Difficulty obtaining foreign currency for inputs and repatriating profits has been cited by U.S. companies as a major impediment to foreign investment.

The National Bank of Ethiopia (NBE) issued a Foreign Exchange Directive to a commercial bank in July 2024. All imports, exports, and outgoing foreign payments require a foreign exchange permit, which are to be provided by commercial banks. In July 2024, the NBE permitted exporters to retain 50 percent of their earnings in foreign currency while requiring the remaining 50 percent to be exchanged at a commercial bank in the equivalent amount of the national currency, Ethiopian birr. In November, 2024, the Ethiopian Government updated the guidance to permit exporters to retain 50 percent of the foreign currency they generate in their Ethiopian accounts for an independent period, while continuing to require them to surrender the remaining 50 percent to commercial banks. Additionally, in August 2024, Ethiopia allowed traders to import goods using the franco valuta, traders use their own foreign currency to pay import costs rather than purchasing foreign exchange from a bank. The NBE allowed traders under the franco valuta scheme to import all goods except fuel-powered vehicles, weapons, and security equipment. Ethiopia previously only allowed this mechanism for importing basic commodities such as edible oil, wheat flour, rice, and infant formula.

EUROPEAN UNION

OVERVIEW

The United States and the Member States of the European Union (EU) share the largest economic relationship in the world. Trade and investment flows between the United States and the EU are a key pillar of prosperity on both sides of the Atlantic and generate substantial economic opportunities.

Goods and services produced by the United States nonetheless face persistent barriers entering and maintaining access to certain sectors of the EU market, which limits the opportunity of U.S. workers and businesses to benefit from transatlantic trade. This chapter of the National Trade Estimate (NTE) Report highlights the most significant of these barriers, some of which have persisted despite repeated efforts at resolution through bilateral consultations, World Trade Organization (WTO) committee meetings, or WTO dispute settlement. Certain barriers have been highlighted in the annual NTE Report for many years.

IMPORT POLICIES

Tariffs

The EU's average Most-Favored-Nation (MFN) applied tariff rate was 5.0 percent in 2023 (latest data available). The EU's average MFN applied tariff rate was 10.8 percent for agricultural products and 4.1 percent for non-agricultural products in 2023 (latest data available). The EU has bound 100 percent of its tariff lines in the WTO, with an average WTO bound tariff rate of 5.0 percent.

Although the EU's tariffs are generally low for non-agricultural goods, some EU tariffs are high, such as rates of up to 26 percent for fish and seafood, 22 percent for trucks, 14 percent for bicycles, 10 percent for passenger vehicles, and 6.5 percent for fertilizers and plastics.

Meursing Table Tariff Codes

Many processed food products, such as confectionary products, baked goods, and miscellaneous food preparations, are subject to a special tariff code system in the EU. Under this system, often referred to as the "Meursing" table, the EU charges a tariff on each imported product based on the product's content of milk protein, milk fat, starch, and sugar. As a result, products that the United States and other countries might consider equivalent for tariff classification purposes sometimes receive different rates of duty in the EU depending on the particular composition of each product. The difficulty of calculating Meursing duties imposes an unnecessary administrative burden on, and creates uncertainty for exporters, especially those seeking to ship new products to the EU.

Non-Tariff Barriers

Import Licensing – Bananas

Following years of disputes, beginning under the General Agreement on Tariffs and Trade of 1947 (GATT 1947) and later under the WTO Dispute Settlement Understanding, the United States and other countries in 2010 reached agreements with the EU to resolve complaints about successive EU banana import regimes. Beginning in 2013, a U.S. stakeholder expressed concerns to the U.S. Government about actions taken since 2010 by Italian customs authorities to collect retroactive payment of customs duties due to the authorities' unilateral re-interpretation of the validity of certain EU banana import licenses under pre-2006 EU

regulations. In 2017, the Italian Supreme Court, on jurisdictional grounds, ruled against the Italian Government and ordered authorities to repay the collected duties to the U.S. stakeholder. While the duties had been repaid to the stakeholder by December 31, 2024, Italian customs authorities continue to re-issue some of the previous retroactive duty assessments against the stakeholder.

Customs Barriers and Trade Facilitation

Notwithstanding the existence of customs legislation that governs all Member States, the EU does not administer its laws through a single customs administration. Rather, there are separate agencies responsible for the administration of EU customs law in each Member State. It is thus difficult for the EU to ensure that its rules and decisions on classification, valuation, origin, and customs procedures are applied uniformly throughout the Member States, and U.S. exports suffer from the uneven and inconsistent application of these requirements.

The Binding Tariff Information program provided for by EU-level law, but administered at the Member State level, does provide for advance rulings on tariff classification and country of origin. However, EU rules do not require the customs agency in one Member State to follow the decisions of the customs agency in another Member State with respect to materially identical issues. In some cases where the customs agency of a Member State administers EU law differently from, or disagrees with, the Binding Tariff Information issued by another Member State, the matter may be referred to the Customs Code Committee (CCC). The CCC consists of Member State representatives and is chaired by a European Commission representative. Although a stated goal for the CCC is to help reconcile differences among Member States and thereby help to achieve uniformity of administration, in practice its success in this regard has been limited. The CCC and other EU-level institutions do not provide transparency in decision-making or opportunities for participation by traders, which might make them more effective tools for achieving the uniform administration and application of EU customs law.

In addition, the EU lacks tribunals or procedures for the prompt review and EU-wide correction of administrative actions relating to customs matters. Instead, review is provided in the tribunals of each Member State, and the rules regarding these reviews vary from Member State to Member State. A trader encountering differing treatment in multiple Member States must bring a separate appeal in each Member State whose agency rendered an adverse decision.

Ultimately, a question of interpretation of EU law may be referred to the Court of Justice of the European Union (CJEU). Although the judgments of the CJEU apply throughout the EU, referral of a question to the CJEU is generally discretionary, may take many years, and may not afford sufficient redress. Thus, obtaining corrections with EU-wide effect for administrative actions relating to customs matters is frequently cumbersome and time-consuming. The United States has raised concerns regarding the lack of uniform administration of EU customs law with the EU in various forums, including in the WTO Dispute Settlement Body (DSB).

The European Commission has sought to modernize and simplify customs rules and processes. The Union Customs Code (UCC), adopted by the European Commission in 2013, entered into force in 2016. While the UCC contains a number of procedural changes, the key element of a harmonized information technology infrastructure has yet to be completed. Member States continue to use different data templates. In 2019, the expected completion date for full implementation of harmonized customs data systems was extended from the end of 2020 to the end of 2025. The European Commission plans to undertake comprehensive reform of the Customs Union beginning in 2028. The United States will continue to monitor the UCC implementation process, focusing on its impact on the consistency of customs treatment under EU customs law.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Transparency and Notification

U.S. exporters face a proliferation of technical barriers to trade (TBT) in the EU, attributable in part to aspects of the EU's regulatory processes, which prescribe conditions for the consideration and adoption of regulations and related decisions without adequate notification or the opportunity to incorporate meaningful public comments from trading partners. The United States regularly raises concerns, both in bilateral engagement and in the WTO Committee on Technical Barriers to Trade (WTO TBT Committee), that EU notifications often take place at a stage in the EU's regulatory process when it is too late to revise the measure to take into consideration any substantive concerns raised by other WTO Members. Furthermore, notifications of proposed measures often lack specificity, or incorporate by reference the publication of future, European-unique standards that do not yet exist, so that non-European producers do not have a meaningful opportunity to engage or offer informed comments.

For example, under the EU's regulatory processes for Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH, Regulation (EC) 1907/2006) and Classification, Labeling, and Packaging (CLP, Regulation (EC) 1272/2008), proposed restrictions are typically notified to the WTO only after scientific review and regulatory impact committees have convened and the European Commission's domestic consultations have concluded. These domestic consultations are not always transparent to non-EU stakeholders, which can limit their ability to provide comment and for those comments to be taken into consideration. In other cases, measures undergo significant changes during the negotiations among the Council of the European Union (European Council), European Commission, and European Parliament, absent additional consultations with stakeholders, notifications, or impact assessments. Finally, failure to notify measures with adequate comment periods is also observed at the Member State level, including in the case of recent Irish alcohol labeling regulations. Improvement and greater consistency in EU and Member State notification of measures could benefit U.S. exports by contributing to a more predictable market environment.

European Standardization and Conformity Assessment Procedures

The EU's exclusionary approach to standards-related measures, including its conformity assessment framework, and its efforts to encourage governments around the world to adopt its restrictive approach, imposes significant burdens on U.S. workers and exporters. In particular, the EU's approach impedes market access for products that do not conform to European regional standards (ENs), including products that comply with international standards that are not harmonized with ENs, even though these international standards may meet or exceed the EU regulatory requirements. Products regulated by the EU must conform to these EU-specific regional standards in order to benefit from a "presumption of conformity" with the EU's essential regulatory requirements. U.S. workers and exporters thus face additional burdens in accessing the EU market not faced by domestic producers in the EU and often not faced by EU exporters when accessing the U.S. market.

ENs can only be developed through three European Standards Organizations (ESOs), as directed by the European Commission through a standardization request. The three ESOs are the European Committee for Standardization (CEN), the European Committee for Electrotechnical Standardization (CENELEC), and the European Telecommunications Standards Institute (ETSI). Within these designated ESOs, the CEN and CENELEC technical committees draft harmonized ENs. Both generally exclude non-EU nationals

from participating in their standard-drafting process. In the limited instances where non-EU nationals do participate, they are not allowed to vote.

On February 2, 2022, the EU published the European Standardization Strategy, which, *inter alia*, amends Regulation (EU) 1025/2012 on European Standardization Organizations to require that the ESOs restrict the involvement of non-EU interests in the development of harmonized EN standards. The change primarily affects the development of standards at the ETSI, which specializes in information and communications technologies and had been the only ESO to provide for direct participation by foreign firms. In addition, new policies implemented by the European Commission, such as a refusal to reference underlying standards developed outside of Europe and new restrictions imposed on participation in expert advisory groups (including the newly created High Level Forum on European Standardization), suggest a sustained effort to exclude foreign participants, undermine the acceptance of international standards developed in the United States, and project European regional standards abroad. The United States is concerned that the European Standardization Strategy and other exclusionary steps indicate that the EU is moving further away from cooperation with trading partners in standardization, and barriers in the transatlantic market will thus be exacerbated rather than ameliorated. The United States has relayed its concerns to the EU through the United States–European Union Trade and Technology Council, as well as through comments in response to an EU public consultation on the functioning of Regulation (EU) 1025/2012, submitted on July 24, 2024.

As part of its free trade agreements, the EU seeks commitments affirming that only a standard issued by a subset of specific standards-developing organizations, none of which are domiciled in the United States, be considered an “international standard” (e.g., the EU–Japan Economic Partnership Agreement, Article 7.6). This practice accords preferential treatment to organizations in which the EU carries an outsized influence (e.g., the World Forum for Harmonization of Vehicle Regulations within the framework of the United Nations Economic Commission for Europe) or with which the ESOs have existing cooperation agreements (e.g., the International Organization for Standardization (ISO) and the International Electrotechnical Commission). This approach is narrower than what is provided for under the WTO TBT Agreement and related decisions of the WTO TBT Committee, which recognize “international standards” as those developed in accordance with certain principles, and without reference to particular institutions or methods of organization.

The United States also has serious concerns regarding the EU’s conformity assessment framework, set out in Regulation (EC) 765/2008 and Decision 768/2008/EC. Regulation (EC) 765/2008 requires each Member State to appoint a single national accreditation body that can accredit conformity assessment bodies and prohibits competition among Member States’ national accreditation bodies. Further, the EU’s interpretation of Decision 768/2008/EC sets out that conformity assessment bodies must be located in the EU in order to test to EU regulations. This geographic restriction denies U.S.-domiciled conformity assessment bodies the opportunity to certify products for the EU market outside of existing mutual recognition agreements. It also raises significant market access concerns for U.S. producers whose products have been tested or certified by conformity assessment bodies located outside the EU. Without any associated improvement in quality or safety, the EU conformity assessment approach increases time to market and raises costs for U.S. exporters.

Chemical Regulations

The EU’s framework for chemicals policy continues to present a number of significant barriers for U.S. exporters. Stakeholders have raised concerns that, as part of the registration process under REACH, they must provide data that is not relevant to the specific hazards and proposed uses of a registered substance. Amendments to the classification of chemicals under the CLP often appear driven by a process that does not allow adequate time for stakeholder comment, even when the proposed changes differ significantly

from the globally harmonized classifications followed by U.S. industry and other economies. As with other sectors, the United States is also concerned that the EU's reliance on a "precautionary" or "hazard-based" approach to regulation of products can result in severe limitations on the use of products without a basis in scientific assessment of the actual risks of exposure in a specific use. Additionally, Member States' application of REACH appears to be inconsistent and lack transparency, which can result in requirements that are more onerous for U.S. exporters than they are for EU businesses and products that are already in the EU market.

Classification, Labeling, and Packaging Hazard Classes

The United States has voiced concerns regarding the European Commission Delegated Regulation (EU) 2023/707 of December 19, 2022 (amending Regulation (EC) 1272/2008) regarding hazard classes and criteria for the classification, labeling and packaging of substances and mixtures, noting that the new CLP classification and labeling requirements will diverge from the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). The United States has encouraged the EU not to preempt a scientific review by the Organization for Economic Cooperation and Development (OECD) of new labeling requirements and to remain harmonized with the GHS. Delegated Regulation 2023/707 entered into force on April 20, 2023. The EU released guidance on these new classification and labeling requirements in November 2024, with the new requirements going into effect in May 2025 for new substances and November 2026 for substances already on the market.

Per- and Polyfluoroalkyl Substances

On February 7, 2023, the European Chemicals Agency published a proposed restriction that would largely eliminate the production and use of per- and polyfluoroalkyl substances (PFAS). The United States is concerned that the EU proposal does not consider the different impacts on various PFAS chemicals, nor the implications of the ban for several critical uses, such as in the production of some renewable energy products, as well as other manufactured goods such as semiconductors and medical devices, for which there are, as yet, no feasible alternatives to PFAS. Additionally, the proposal could impact the implementation of global treaties to reduce ozone depletion, such as the Kigali Amendment to the Montreal Protocol, by restricting alternatives to existing substances. The United States continues to raise these concerns bilaterally, including at WTO TBT Committee meetings.

Fluorinated Greenhouse Gases

In February 2024, the EU adopted an update to the 2014 Fluorinated Greenhouse Gas (F-Gas) Regulation, (EU) 2024/573 that will accelerate the phase-out of many technologies that use F-gases. The Regulation included restrictions on certain uses of hydrofluoroolefins (HFOs), even though these gases are not restricted via the Kigali Amendment to the Montreal Protocol. The EU's decision was taken without consideration of viable technological and commercially available alternatives. The United States further expressed concerns that the restriction of low GWP HFOs under the F-gas Regulation was premature and possibly duplicative of the EU's proposed PFAS restriction via REACH. The United States repeatedly raised concerns regarding the EU's approach both bilaterally and at the WTO TBT Committee, and continues to monitor implementation of the measure, as it may have significant implications for U.S. exporters.

(Additional concerns with the EU policies in regard to F-Gas are discussed in the Other Barriers section of this NTE Report chapter.)

Packaging and Packing Waste Regulation

On January 22, 2025, the EU published Regulation (EU) 2025/40 on packaging and packaging waste to replace an existing directive and regulation in an effort to harmonize Member State packaging and packaging waste regulations. The regulation entered into force on February 11, 2025, and generally applies from August 12, 2026. The regulation requires a minimum recycled content in plastic packaging and requires that recycled content recovered from post-consumer plastic waste comply with strict sustainability requirements if recycled in the EU. For plastic content recycled in a third country, recycling operators/installations need to follow the same sustainability criteria as in the EU. The European Union has a deadline of January 1, 2026 to establish a methodology for certifying the equivalence of the rules in third countries. The United States will continue to engage the EU as the legislation is implemented to ensure implementing acts are developed in a manner that does not create unjustified barriers to U.S. exports, to ensure that it provides harmonized rules across Member States, and to seek clarification necessary to help stakeholders comply with the requirements. The United States continues to engage the EU as the legislation progresses, including through the WTO TBT Committee, especially with regard to the proposed mirror clauses regarding recycled plastic packaging for food contact applications and recycling installations sustainability, which would require U.S. competent authorities to verify that U.S. recycling facilities comply with EU regional standards.

Deforestation-Free Supply Chain Regulation

On June 29, 2023, the EU issued a deforestation-free supply chain regulation (Regulation (EU) 2023/1115), with an initial 18-month transition period through December 30, 2024. The regulation aims to curb deforestation and forest degradation linked to European consumption and production of beef, coffee, cocoa, palm oil, soy, wood, rubber, and their derived products (*e.g.*, charcoal, furniture, tires, paper, leather), with potential expansion to other products and ecosystems. U.S. agricultural and commodity stakeholders have raised concerns that due diligence and traceability requirements in the regulation may not be possible for U.S. companies to meet. To date, the EU has refused to notify the regulation to WTO Members or to provide an opportunity for WTO Members and other stakeholders to comment on the regulation. The United States and 17 other WTO Members raised concerns with the regulation at the November 2024 WTO TBT Committee meeting. The United States continues to seek WTO notification of the measure and to engage the EU on its implementation. In 2023, U.S. exports of products covered by the EU's deforestation-free regulation exceeded \$8 billion (latest data available).

Many U.S. stakeholders had argued that the transition period through December 30, 2024 was insufficient time for compliance. On December 19, 2024, the EU issued Regulation (EU) 2024/3234 delaying implementation by 12 months (to December 30, 2025) for large and medium companies and 18 months (to June 30, 2026) for micro and small companies to give operators and competent authorities additional time to prepare. The Commission also published long-awaited guidance documents and new FAQs to support operators' compliance preparations, as well as some details of the methodology for determining country risk benchmarking levels. Additionally, the Commission announced the country benchmarking system will be finalized through a proposed implementing act by June 30, 2025. The United States will continue to engage with the EU regarding implementation and enforcement of the regulation to ensure that U.S. exports will not be disadvantaged.

Eco-design for Sustainable Products Regulation and the Digital Product Passport

On July 18, 2024, the Eco-design for Sustainable Products Regulation (Regulation (EU) 2024/1781) entered into force. The regulation establishes an eco-design framework for sustainable products that will require industry to meet new sustainability requirements. Articles 7 through 15 of the regulation require industry to develop and implement a new digital label (known as a Digital Product Passport or DPP) to

trace lifecycle information and other aspects of a product in order to inform consumers and help public authorities to better perform checks and controls. Some U.S. stakeholders are concerned that the DPP requirements set unrealistic implementation timelines and do not include sufficient safeguards to prevent the unauthorized disclosure of confidential business information. The United States made multiple requests to the EU to notify the measure to the WTO to allow trading partners the opportunity to provide feedback. To date, the EU has refused to notify the measure.

Green Claims Directive

On March 22, 2023, the European Commission released the proposal for a directive on substantiation and communication of explicit environmental claims (“Green Claims Directive,” notified to the WTO in May 2023) to combat misleading environmental claims (“greenwashing”). The United States has been engaging with the European Commission to ensure that the directive is clear and specific as to the elements needed to substantiate environmental claims, including documentation requirements and implementation periods for the measure’s conformity assessment procedures and labeling requirements related to product characteristics. The United States has also been seeking to collaborate with the EU to achieve greater alignment on the recognition of eco-label schemes and measures to combat greenwashing.

(Sanitary and phytosanitary concerns with the European Green Deal are discussed in the Sanitary and Phytosanitary Barriers section of this NTE Report chapter.)

Renewable Energy Directive

The EU Renewable Energy Directive (RED) ((EC) 2009/28) requires that biofuels and biofuel feedstocks obtain a “Proof of Sustainability” certification to qualify for tax incentives and national use targets. RED also establishes a methodology and accounting system by which Member States may record and calculate required greenhouse gas emission savings as compared to a baseline for fossil fuels.

In 2018, the European Commission adopted a new Renewable Energy Directive (RED II) for the period 2021 to 2030. RED II entered into force on January 1, 2021 and introduced sustainability requirements for forestry biomass (wood pellets). The European Commission began revisions of RED II in 2022, and the final revisions were published on October 31, 2023. The revisions to RED II increased the EU’s binding renewable target for 2030 to a minimum of 42.5 percent, up from the prior 32 percent target. However, the sustainability criteria for biofuels and biomass were not fundamentally changed, which may limit U.S. exports of biofuels and biomass that would otherwise provide viable renewable sources for the EU’s renewable energy targets. The United States exported approximately \$272 million in wood pellets and \$440 million in bioethanol to the EU in 2024.

Pesticide Maximum Residue Limits for Environmental Objectives

On February 15, 2023, the EU published Commission Regulation (EU) 2023/334 to reduce maximum residue limits (MRLs) for clothianidin and thiamethoxam to the limit of determination, in an effort to protect pollinators, particularly bees, in countries outside of the EU. The measure would effectively bar all imports of products to the EU that contain any detectable residue of the two widely used pesticides after March 7, 2026.

The United States shares the EU’s concerns about pollinator health and is actively working to protect bees and other pollinators in the United States. However, the global scientific and regulatory community has found that complex interactions among multiple factors affect pollinator health, including the health of bees, and that the safe use of the two pesticides may be determined based on local, national, or regional contexts by the appropriate competent authorities. The United States has also raised concerns with the EU

that the use of MRLs as an environmental safety management tool could undermine the development and use of international standards for food safety. Given the critical importance of the pesticides identified in the regulation, the measure appears to pose a significant obstacle to international trade and production of agricultural products. The European Commission intends to consider additional substances under a similar approach. In 2022, 2023, and 2024, the United States raised this issue with the EU at the WTO TBT Committee, WTO Committee on Sanitary and Phytosanitary Measures (WTO SPS Committee), and WTO Council for Trade in Goods. The United States continues to encourage the EU to pursue a collaborative approach to protect pollinators worldwide.

(Other MRL concerns with the European Union are discussed in the Sanitary and Phytosanitary Barriers section of this NTE Report chapter.)

Medical Devices and In-Vitro Diagnostics Regulation

The United States continues to be concerned about the implementation of the Medical Device Regulation (MDR) and the In-Vitro Medical Device Regulation (IVDR), especially the shortage of notified bodies available to assess medical devices and in-vitro medical devices. The ongoing lack of capacity to conduct conformity assessment has led to longer review times, and it remains difficult for some companies, especially small and medium-sized enterprises, to obtain access to reviews. The lengthy review times and lack of access impact the ability of companies to keep legacy devices on the EU market and to bring new devices to healthcare providers and patients.

The United States has repeatedly engaged the EU through the WTO TBT Committee and bilateral discussions around those meetings to seek updates on the implementation of the MDR and IVDR, including the number of qualified notified bodies to perform conformity assessment requirements. On March 20, 2023, Regulation (EU) 2023/607 amending the MDR and IVDR took effect, allowing for staggered and conditional extension of a transition period to the new rules until 2027 or 2028, according to the risk class of the devices.

On July 9, 2024, the EU published Regulation (EU) 2024/1860 amending Regulations (EU) 2017/745 and (EU) 2017/746 regarding a gradual roll-out of the European database for medical devices called Eudamed, which includes an extension to the transitional period for certain in-vitro diagnostics and introduces notification obligations for interruptions in supply.

Wine Labeling

In May 2023, the EU adopted Regulation (EU) 2021/2117, which introduced a compulsory nutrition declaration and list of ingredients to be displayed on the label of wine products sold on the EU market beginning December 8, 2023. The regulation permits producers to provide mandatory lists of ingredients and nutritional information, excluding allergens and energy content, via an electronic label accessed through a quick-response (QR) code on the physical label. U.S. industry supports the use of electronic labels to provide additional information for consumers; however, U.S. industry has reported that several Member States have different interpretations of EU guidance published in 2023, specifically, on the text accompanying the QR code. The United States raised this issue with the EU bilaterally as part of the United States-European Union Wine Dialogue and at the March and June 2024 WTO TBT Committee meetings. U.S. industry has raised concerns that differing Member States requirements regarding the word or words that must accompany QR codes may be contrary to the nature of the EU as a single market. In 2024, the United States exported more than \$170 million of wine to the EU.

Traditional Terms on Wine

The EU continues to restrict the use of “traditional terms,” such as “tawny,” “ruby,” and “chateau,” on labels on imported wine. This impedes U.S. wine exports to the EU, including U.S. wines that include these traditional terms as part of their trademarks. U.S. wines sold under a trademark that includes one of the traditional terms can only be marketed in the EU if the trademark was registered before May 2002.

The EU has not taken any visible steps to address the concerns of the United States and has consistently refused to provide a timeline for review of the applications for the use of terms submitted by U.S. industry.

Alcohol Labeling

In May 2023, Ireland introduced a Public Health (Alcohol) (Labelling) regulation, which sets unique health labeling requirements for alcohol being sold in the Irish market. The regulation mandates that all alcohol beverages display warnings on product packaging informing consumers about the risk of consuming alcohol when pregnant and the risk of liver disease and fatal cancers from alcohol consumption. U.S. industry has raised concerns that unique labeling requirements for the Irish market, which are in addition to the EU-wide regulations already adhered to by U.S. industry, would be costly and may disrupt U.S. exports within the EU single market. In March 2024, the United States raised procedural concerns about the regulation in the WTO TBT Committee meeting and questioned how Ireland’s labeling regime would be reconciled with future EU-wide requirements on health and warning labeling.

Sanitary and Phytosanitary Barriers

The United States remains concerned about a number of measures the EU maintains ostensibly for the purposes of food safety and protecting human, animal, or plant life or health. Specifically, the United States is concerned that these measures may unnecessarily restrict trade without furthering safety objectives, because they appear to be applied beyond the extent necessary to protect human, animal, or plant life or health, not based on science, or maintained without sufficient scientific evidence.

Farm to Fork Strategy

To achieve the targets of the European Green Deal, described in the Technical Barriers to Trade section of this Chapter, and the related Farm to Fork (F2F) Strategy introduced in May 2020, the EU has adopted multiple regulations that may inappropriately use food safety standards as the basis for sustainability requirements. Among other things, these targets aim to reduce the use of pesticides, fertilizers, and antimicrobials in agricultural production, to achieve the EU’s goal of enhanced food and agricultural sustainability by 2030.

The EU has also stated it will seek to “obtain ambitious commitments from third countries in key areas,” and is increasingly attempting to expand the reach of this policy beyond the EU. Many of the targets were converted into legislative proposals, and the European Parliament and European Council shaped and amended these proposals as part of the EU legislative process that occurred between 2021 and 2024.

It remains to be seen how the EU will implement the broader objectives of the F2F Strategy through these interrelated initiatives, which appear to blend SPS issues with potential TBT requirements like labeling or certification schemes. U.S. stakeholders are concerned that EU implementing regulations may focus on promoting EU production practices that are not appropriate, effective, or efficient in other parts of the world and, if required, could unnecessarily restrict trade or require farmers in the United States and other countries outside the EU to produce crops in less sustainable ways than they otherwise would have, as a precondition for gaining access to the EU market.

Hormones and Beta-Agonists

Despite scientific evidence that such meat is safe for consumers, the EU maintains various measures that impose bans and restrictions on meat produced using hormones, beta agonists, and other growth promotants approved for use in the United States. U.S. producers cannot export meat or meat products to the EU unless they participate in a costly and burdensome verification program to ensure that hormones, beta agonists, or other growth promotants have not been used in their production.

For example, the EU continues to ban the use of the beta agonist ractopamine, which promotes leanness and enhances feed utilization by animals raised for meat. The EU maintains this ban even though international standards promulgated by Codex Alimentarius Commission (Codex) have established maximum residue levels (MRLs) for the safe trade in products produced with ractopamine. The Codex MRL was established following a scientific study by the United Nations Food and Agriculture Organization/World Health Organization Joint Expert Committee on Food Additives that found ractopamine at the specified MRL does not have an adverse impact on human health.

In 2019, as part of a compromise solution to the U.S.–EU hormone beef WTO dispute, the United States and the EU concluded an agreement that established a duty-free tariff-rate quota (TRQ) for the United States. The agreement went into effect on January 1, 2020, and provided American ranchers an initial TRQ of 18,500 metric tons annually, valued at approximately \$220 million. The TRQ increases annually over a period of seven years, and will reach 35,000 metric tons in 2026, valued at approximately \$420 million. U.S. stakeholders have raised concerns about the requirements of the EU’s residue monitoring program for animal products, and U.S. competent authorities continue to work with their counterparts in the EU to ensure that all requirements are justified based on science and risk and least trade restrictive.

Antimicrobial Resistance and the Restrictions on the Use of Veterinary Medicinal Products

In December 2018, the EU published Regulation (EU) 2019/6 on veterinary medicinal products that seeks to address antimicrobial resistance by more strictly defining the criteria for use of antimicrobial products in animal medicine. Regulation (EU) 2019/6 also identifies a list of products that will be exclusively reserved for human medicine and no longer permitted in agricultural production. Article 118 of the regulation expands these restrictions to operators in third countries, who will be required to ensure that animal products exported to the EU and intended for human consumption do not originate from animals that have been treated with specified antimicrobial medicines reserved for human use or utilized for growth promotion.

The official implementation date for Regulation (EU) 2019/6 and related implementing measures is September 3, 2026.

In February 2024, the EU published Implementing Regulation (EU) 2024/399, which amended model health certificates for entry into the European Union of consignments of certain products of animal origin and certain categories of animals. The amended model health certificates will be utilized by exporting countries. On June 28, 2024, the EU notified to the WTO Committee on Sanitary and Phytosanitary Measures (G/SPS/N/EU/778), which included publication of a list of third countries authorized for the entry into the EU of animals and products of animal origin intended for human consumption. Beginning September 3, 2024, two additional animal health attestations are required to be listed on official health certificates but exporting countries will not be required to make the attestations until the regulation is implemented on September 3, 2026.

U.S. stakeholders are concerned about the potential impacts of these EU measures, in particular the attestation requirements on U.S. exports of animal products to the EU once the measures enter into force.

U.S. stakeholders have raised concerns about other provisions that are not based on science or risk and instead promote the adoption of EU practices by third countries rather than recognizing the alternative ways that different competent authorities can arrive at the same level of product safety. U.S. stakeholders are also concerned about the EU's prohibition on the use of non-medically important antimicrobials to promote growth and increase yield, as this prohibition does not appear to have a scientific justification and specific food safety concerns have not been identified. The United States will continue to engage the EU regarding management of antimicrobial resistance and encourage science-based approaches.

Agricultural Biotechnology

Decades of data and experience demonstrate the safety of genetically engineered (GE) crops, in addition to the benefits of their use in reducing pesticide use and impact on non-target organisms, while increasing soil health, crop yields, and farmers' incomes. Despite these benefits, the lack of predictability, excessive data requirements, and delays in the EU's approval process for GE crops have prevented products from being exported to the EU, even though these products have been approved and grown safely in the United States and in other countries for many years.

The United States continues to reiterate concerns with delays in the EU's biotechnology approval procedures under the Genetically Modified Organisms (GMO) Directive ((EC) 2001/18) and to engage the EU in efforts to normalize trade in these products, including through semiannual consultations in accordance with the 2008 decision by the United States and the EU to suspend Article 22.6 arbitration proceedings associated with the WTO dispute settlement proceeding against the European Communities (the EU predecessor entity) regarding the approval of biotechnology products. In 2024, the EU issued five approvals and five renewals for GE crops, compared to eight approvals and five renewals in 2023. While these new authorizations are welcomed, the EU's average approval time for new GE crops in 2023 was approximately four years. In contrast, the EU's own legally prescribed approval time for such products is 12 months (6 months for the review with the European Food Safety Authority (EFSA) and 6 months for the political committee process known as comitology).

As of December 31, 2024, the United States was tracking approximately 30 agricultural biotechnology product applications (including renewals) submitted to the EU, including with respect to corn, soybean, rapeseed, and cotton. Of those applications, 29 were under scientific review by the EFSA and 6 await action by the European Commission through comitology. Delays in both of these stages contribute to increasingly lengthy EU approval timelines.

For example, EFSA continues to demand unnecessary studies while conducting risk assessments, which result in unpredictable delays in issuing final opinions. In comitology, repeated findings of "no opinion" by the relevant Standing Committee on Plants, Animals, Food and Feed also delay the EU from making decisions on GE approvals, by requiring products to go through an additional assessment by an Appeal Committee before receiving a final approval. The United States continues to engage the EU on delays of this nature and urge the EU to address other barriers to trade in biotechnology products. For example, the EU has yet to establish a practical low-level presence policy and instead maintains a 0.1 percent limit for unapproved biotechnology traits in feed shipments, which is not commercially feasible and disrupts trade in products that have otherwise passed U.S. safety assessments.

Following two years of consultations and evaluations, the European Commission introduced its proposal for regulating plants derived from new genomic techniques on July 5, 2023. While the proposal received a favorable vote from the European Parliament on February 7, 2024, it still requires consensus from the Council of the European Union in order for the proposal to proceed in the legislative process. Until then, genome-edited products in the EU will continue to be regulated under the GMO Directive, regardless of their risk levels.

Member State Measures on Agriculture Biotechnology

In March 2015, the EU adopted a directive allowing Member States to prohibit the cultivation of GE plants in their respective territories for non-scientific reasons (Directive (EU) 2015/412). Under the transitional measures, Member States had until October 2015 to request exemption from the geographical scope of the authorizations already granted or that were under regulatory review for EU cultivation approval. Eighteen Member States “opted-out” of GE crop cultivation for all or part of their territories, and none of the five Member States (the Czech Republic, Portugal, Romania, Slovakia, and Spain) that grew GE corn opted out. However, as of 2024, only Portugal and Spain commercially cultivated GE corn.

Seventeen Member States have opted out of cultivation using biotechnology seeds. The 17 Member States that requested exclusion of their entire territory from the geographical scope of biotechnology applications are Austria, Bulgaria, Croatia, Cyprus, Denmark, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, and Slovenia. Additionally, one region in Belgium, Wallonia, has also opted out of cultivation. All of these Member States and regions have decided to prohibit the cultivation of Monsanto 810 corn (MON810) and the seven varieties of corn that were submitted for EU-wide approval in 2015 (apart from Denmark and Luxembourg, which have only prohibited MON810 and three of the seven varieties of corn that were submitted for EU-wide approval).

EU Fumigation Requirements for Hardwood Lumber and Logs

The EU previously prohibited the use of methyl bromide to fumigate logs and wood chips imports. Fumigation with sulfuryl fluoride is considered an equally effective substitute and is used throughout the EU, including for EU log exports. While the EU approved the use of sulfuryl fluoride for certain U.S. log exports in 2023, the decision on its use for U.S. pine wood chips remains pending scientific review, which leaves U.S. exporters of pine wood chips without a commercially viable fumigation option. Heat treatment, which is the EU alternative to fumigation, is not scalable in many instances. The United States will continue to engage with the EU on this issue to identify a path forward.

Pathogen Reduction Treatments

The EU maintains measures that prohibit the use of any substance other than water to remove contamination from animal products unless the substance has been approved by the European Commission. These measures significantly affect U.S. exports of beef, pork, and poultry to the EU because the European Commission has failed to approve several pathogen reduction treatments (PRTs) that have been approved for use in the United States. PRTs are rinses used to kill microbial pathogens that commonly exist on meat after slaughter. The PRTs at issue have been approved by the U.S. Department of Agriculture (USDA) after establishing their safety on the basis of scientific evidence.

In March 2017, the National Pork Producers Council submitted an application to the European Commission for the approval of two organic acids, lactic and acetic, for use on pork. The application was submitted to EFSA by the European Commission in September 2017. EFSA published its evaluation in December 2018, confirming the safety of the use of acetic acid and lactic acid in pork processing. As of December 31, 2024, the European Commission has taken no action for the approval of pork PRTs.

The United States maintains that the use of PRTs is a critical tool during meat processing that helps further the safety of products being placed on the market. The United States has engaged the EU to share scientific data regarding the safe use of PRTs and will continue to engage the EU regarding the approval of PRTs for beef, pork, and poultry as an effective tool to improve food safety.

Certification Requirements

Since January 2022, the EU has published at least fourteen versions of the health certificate it requires for U.S. agricultural exports of fish, meat, dairy, eggs, processed products, and animal byproducts. U.S. exporters are concerned about exporting products of animal and animal origin to the EU market and to third country markets that require transit through the EU because of the unpredictability of health certificate requirements. Differing interpretations of requirements among Member States adds to this uncertainty. The EU is currently contemplating the addition of attestations related to animal welfare, which may further complicate this issue.

The EU has not provided scientific evidence to justify its certification requirements and subsequent modifications. The certification requirements also are enforced irrespective of whether these goods are destined for commercial sale in the EU or transiting through the EU. The EU's requirements often appear to have been established without scientific evidence, a risk assessment, or consideration of Codex guidance on certifications, the latter of which recommend that official certificates require only the minimum amount of information necessary to meet the objectives of the country's food safety system. Moreover, the EU's changes to certificates are increasingly frequent, complex, and instituted through updates to multiple EU implementing or delegated regulations, making compliance difficult for manufacturers, exporters, foreign competent authorities, and EU importers. Certificates based on the standardized templates published in EU regulations are a condition for trade, but it is increasingly difficult for U.S. regulators to issue the required EU certificates. Differences in interpretation of EU legislation by Member State authorities also create legal uncertainty and often result in trade disruptions, creating additional burden for U.S. exporters.

On September 15, 2022, the EU adopted Regulation (EU) 2022/1616 on recycled plastic materials and articles intended to come into contact with foods, which entered into force on October 10, 2024. Article 27 of the regulation requires the competent authority in the country where a recycler of food-contact plastic is located to verify that the recycler's food safety controls are in compliance with EU requirements and to perform facility audits. Article 27 of the regulation also requires that the competent authority receive from the recycler a compliance monitoring summary sheet and verify that the information complies with EU regulations. The EU has rejected existing risk management systems implemented by component authorities in exporting countries, such as the U.S. Food and Drug Administration's "No Objection Letter," as potentially trade-facilitative alternatives. This regulation raises concerns with the jurisdictional precedence of an EU requirement to be verified by a non-EU competent authority and the lack of third-party conformity assessment options.

The United States will continue to engage the EU bilaterally to resolve concerns regarding the EU's certification requirements.

Titanium Dioxide

In November 2021, the European Commission published European Commission Implementing Regulation (EU) 2021/2090 in the EU Official Journal denying the authorization of titanium dioxide (E171) as a feed additive for all animal species. Following this action, Regulation (EU) 2022/63 prohibited titanium dioxide (E171) as a food additive in the EU as of August 7, 2022. The regulation includes a commitment to review the necessity to maintain or delete titanium dioxide from the EU list of food additives for exclusive use as a color in medicinal products. The European Commission originally tasked the European Medicines Agency (EMA) with reviewing the situation by April 2024, although the results of the review are still not publicly available. The regulation calls on the pharmaceutical industry to accelerate research and development for alternatives to titanium dioxide in both new and previously authorized products. The EMA published information in 2022 on the replacement and removal of titanium dioxide in medicines for pharmaceutical companies and is monitoring industry efforts.

Animal Byproducts, Including Tallow

The EU considers all animal byproducts sourced from animals raised under conditions not essentially identical to those in the EU to be hazardous materials. Since 2002, the EU has made modifications to its regulations and implementation practices governing animal byproducts that have resulted in the treatment of U.S. products being considered hazardous. The current EU interpretation of the animal byproducts regulations prevents most exports of U.S. animal byproducts, and several Member State border inspection posts have blocked consignments of various technical blood products.

The United States has requested that tallow be allowed entry into the EU for any purpose without verification other than that the tallow and derivatives made from the tallow contain no more than a maximum level of insoluble impurities consistent with the internationally recognized standard for trade in tallow and with World Organization for Animal Health (WOAH) recommendations but, to date, the EU has maintained its regulatory approach.

Live Cattle

Live cattle from the United States are not authorized to be exported to the EU, or transited through the EU en route to third countries, due to EU certification requirements for several bovine diseases. U.S. exports remain blocked because the United States and EU have not agreed on the conditions and format for an export certificate. The EU implemented new animal health laws in 2021, and the USDA Animal and Plant Health Inspection Service (APHIS) continues to explore alternative solutions, particularly with regard to a mutually acceptable animal health certificate, to resolve the issue of market access to the EU for live cattle.

Trade in Raw and Processed Shellfish

In February 2022, the EU determined the U.S. food safety system for raw bivalve mollusks (shellfish) to be equivalent to the EU's food safety system for these products. At the same time, the U.S. Department of Health and Human Services Food and Drug Administration (FDA) found two EU Member States to be operating a food safety system for shellfish to be equivalent to the U.S. food safety system. Trade was reopened for two U.S. states (Massachusetts and Washington) and opened for two EU Member States (Spain and the Netherlands), with an agreed mechanism for expediting the consideration of additional U.S. states and EU Member States. In April 2022, the United States sent dossiers for Connecticut, Maine, and Rhode Island seeking to export raw product to the EU. Although the EU committed to expedited reviews of U.S. state dossiers, as of December 31, 2024, the EU has not granted market access despite completing review of the dossiers of Connecticut and Maine. The EU has not provided a rationale for these delays and has not begun its review of the Rhode Island dossier.

Processed shellfish from the United States is not currently authorized to be exported to the EU. The EU requires a determination of equivalence for processed shellfish, a level of control for a processed product that has not been supported by science-based risk assessment. The European Directorate-General for Health and Food Safety (DG SANTE) conducted an audit in November 2022, to evaluate whether U.S. controls to deliver and certify processed bivalve shellfish were compliant with U.S. food safety requirements and regulations. Following the audit, the U.S. FDA and U.S. Department of Commerce National Oceanic and Atmospheric Administration (NOAA) identified sections of the audit report that were incorrect or inaccurate and required editing to reflect a correct understanding of the U.S. national control system for processed bivalve shellfish. The Office of the U.S. Trade Representative (USTR), FDA, and NOAA continue to engage with DG SANTE in order to make progress on this issue.

Specified Risk Materials Certification Requirement

The EU has a different definition of specified risk materials (SRM) from the United States for the animal tissues most at risk of harboring the transmissible spongiform encephalopathies (BSE). The EU requires that materials exported to the EU meet the EU's SRM definition and be derived from carcasses of animals that can be confirmed as never having been outside of regions that the EU considers to be of negligible risk for BSE. Although WOAHA has recognized the United States as having negligible risk, the source cattle for U.S. ruminant origin animal byproduct exports may not necessarily come from negligible risk countries. The EU SRM requirement unnecessarily impedes U.S. exports of ruminant origin animal byproducts considered safe in the United States and would potentially limit the market for ovine/caprine byproducts were other market impediments removed.

The SRM requirement otherwise has not been an issue for bovine meat for human consumption, because the special EU-required production controls in the non-hormone-treated cattle program already provide the necessary verifications regarding the history of the animal. The EU's "born and raised" BSE requirement is based on its non-recognition of WOAHA animal disease status for the United States and is related to animal health versus the origin of the products. Consistent with the recommendations of WOAHA, it is the BSE status of the country of export that should determine whether SRMs have to be removed. The United States continues to raise this issue in appropriate fora, including bilateral technical working groups, and has requested the removal of the EU's requirement for all relevant U.S. commodities.

Hazard-based Cutoff Criteria for Agricultural Chemicals

Active substances can only be approved for use in crop protection products in the EU if they fulfill the approval criteria established in Regulation (EC) 1107/2009. Under this regulation, the EU's determination includes hazard-based "cutoff" criteria that exclude certain categories of products from consideration for normal authorization for use in the EU. In instances where an active substance triggers the cut-off criteria, the EU regulatory process allows for an active substance to remain unapproved, regardless of risk of exposure. For such products, the EU does not complete a risk assessment. Rather, the EU discontinues authorization for a particular product at the time of re-approval, as has happened for an increasing number of substances. The EU has also been taking a "hazard-based approach" to new products, declaring them to be ineligible for authorization based solely on the intrinsic properties of the product, without taking important risk factors such as level of exposure or dosage into account. The United States is concerned that an increasing number of safe and widely-used substances are not being reapproved or having reasonable import tolerances set for their use, due to these arbitrary cut-off criteria when current registrations expire.

Categorization of Compounds as Endocrine Disruptors

One category of crop protection products subject to the hazard-based approach set out in Regulation (EC) 1107/2009 are substances classified as endocrine disruptors (EDs). EDs are naturally occurring or man-made substances that may mimic or interfere with hormone functions. The United States evaluates possible endocrine effects associated with the use of certain chemicals to ensure protection of public health and the environment. In contrast, the EU established an approach to regulating these compounds that appears not to be based on scientific principles or is maintained without scientific evidence.

The scope of trade effects of Regulation (EC) 1107/2009 is broad and overlaps with that of the other hazard criteria and environmental criteria the EU uses in regulating pesticides. The EU obscures its hazard-based decisions with onerous data requirements that allow the European Commission to claim an inability to measure risk. The United States continues to monitor this issue and raise concerns in international and bilateral fora.

Pesticide Maximum Residue Limits

Maximum residue limits and import tolerances are established under legislation, Regulation (EC) 396/2005, which, unlike Regulation (EC) 1107/2009, is risk-based rather than hazard-based. However, for active substances that are not approved due to the EU's cut-off criteria under Regulation (EC) 1107/2009, the EU may withdraw MRLs established under Regulation (EC) 396/2005, and reduce import tolerances to the default level of 0.01 mg/kg. The EU conducted an evaluation of existing legislation on plant protection products and pesticide residues through the Regulatory Fitness and Performance process. At this time, the EU has no intention to further align Regulation (EC) 396/2005 with the hazard-based principles of Regulation (EC) 1107/2009. As the number of substances ineligible for reauthorization by the EU increases, and as the EU reduces the corresponding MRLs and import tolerances to the default level, the significant negative effect on agricultural production and trade is likely to increase.

The EU regulations also establish transitional periods to allow producers to adjust to changes in EU MRLs, although the transition periods established by the EU are generally not long enough to avoid trade disruption. For many products, there may be a gap of several years between pesticide application and when a final product is offered for sale, creating a situation where products that are compliant with EU MRLs at the time of production do not have time to clear the channels of trade. EU products, on the other hand, appear to remain available for sale as long as they are produced prior to MRLs changing.

The United States has raised concerns over the EU's policy approaches for years and continues to engage on these issues in the WTO SPS Committee. The United States is also monitoring the EU's actions with regard to evaluating and establishing import tolerances for active substances, which have the potential to create further trade disruptions when MRLs are set at levels that are lower than necessary to protect human health and are unnecessarily burdensome for trade.

Glyphosate Renewal

The EU requires that the approval of the active substance of a pesticide (*i.e.*, the substance that works against pests or plant diseases) be periodically renewed. In 2023, the EU re-approved glyphosate, the herbicide used in certain plant protection products, as an active substance until December 15, 2033. Following approval of an active substance in the EU, Member States control the authorization of formulated products containing that substance. Member States have various regulations limiting the use of products containing glyphosate. Despite the EU renewal of approval of glyphosate in 2023, some Member States continue to ban glyphosate partially or entirely, including Austria, Belgium, France, Germany, Italy, Luxembourg, and the Netherlands. Member State bans affect the use of the substance within that country's national borders but do not affect any glyphosate MRLs, as all pesticide MRLs are determined at the EU level.

GOVERNMENT PROCUREMENT

Government procurement is governed by the EU public procurement directives. The directive on procurement in the utilities sector covers purchases in the water, transportation, energy, and postal sectors. This directive requires open and competitive bidding procedures, but it gives Member States the option to reject bids with less than 50 percent EU content for tenders that are not covered by a multilateral or bilateral reciprocal agreement. The EU content requirement applies to foreign suppliers of goods and services in water (the production, transport, and distribution of drinking water), energy (gas and heat), urban transport (urban rail, automated systems, trams, buses), and postal services.

The EU is a Party to the WTO Agreement on Government Procurement (GPA).

Member State Measures on Public Procurement

Lack of transparency in certain Member State public procurement processes continues to be a barrier to the participation of U.S. firms. U.S. firms have also voiced concerns over onerous documentation requirements and implicit biases in favor of local vendors and other suppliers based on lowest cost instead of the full lifecycle of the procurement. Additional Member State-specific trade barriers to U.S. stakeholder participation in public procurement processes are discussed below.

- *Croatia:* U.S. companies have complained about instances in which technical specifications and scoring in public procurement tenders appear to favor a specific bidder, typically a local or other Member State supplier, thus impacting the participation of competitive U.S. firms.
- *Greece:* U.S. firms have complained that Greece often requires suppliers to source services and production locally or partner with Greek manufacturers as a condition for the awarding of some defense contracts. Additional complaints center on onerous certification and documentation requirements for foreign firms. These requirements have impeded the ability of U.S. firms to compete on a level playing field and engage in foreign military sales and public procurement processes in Greece. U.S. firms have also raised concerns over the use of “lowest cost” criteria as the primary determination for awarding contracts and have raised concern over instances when technical specifications and scoring in public procurement tenders appeared to favor a specific bidder. U.S. firms have cited numerous examples of non-transparent procurement processes in defense procurement.
- *Hungary:* U.S. companies have expressed serious concerns that public procurements in Hungary are not always transparent and tend to favor either local or other non-EU countries, including China. Corruption in the public procurement system is of key concern in Hungary, despite the launching of multiple initiatives designed to address it in recent years. Hungary makes more frequent use of direct award and negotiated procedures than most other countries, without providing sufficient justification. In April 2022, the European Commission launched a budget conditionality mechanism against Hungary over the “systemic irregularities, deficiencies and weaknesses” in its public procurement procedures.
- *Lithuania and Portugal:* U.S. firms have raised concerns over Lithuania’s and Portugal’s use of “lowest cost” criteria as the primary determination for awarding contracts. Although EU law allows for consideration of factors such as quality, company reputation, and prior experience in the decision-making criteria, “lowest cost” bidding continues to be a common practice in these two countries.
- *Slovakia:* The excessive length and complexity of tender verification and appeal procedures remains an impediment to the widest possible participation of potential bidders. Lock-in contracts, in which the Slovak Government commits to procure a basic service and subsequently expands the contract to include additional services, continue to hamper the access of U.S. firms to public procurement, especially with regard to information technology services.
- *Slovenia:* U.S. firms report instances of tendering documentation that provide unfair advantages to favored vendors, typically an EU company, and opacity in the bid evaluation process as major impediments. Slovenia’s quasi-judicial National Revision Commission (NRC), which reviews all disputed public procurement cases, has received multiple complaints. The NRC has the authority to review, amend, and cancel tenders, and its decisions are not subject to judicial appeal. In the

instances where U.S. companies alleged improprieties in the procurement process, Slovenian authorities directed them to the NRC, which is not required to justify its decisions.

Proposed EU Cybersecurity Certification Scheme for Cloud Services

The EU is considering a new cybersecurity certification scheme for cloud services, (EUCS). The draft scheme is under discussion between cybersecurity security experts of the EU Member States, the European Commission, and the European Union Agency for Cybersecurity. Once finalized, the EUCS is expected to be mandatory for parts of the public sector and possibly select private sector cloud services. The latest EUCS draft that is publicly available eliminates the sovereignty criteria and the requirement of data storage in the EU as necessary criteria to be certified at the highest level of cybersecurity. However, these changes face opposition from the French data protection authority, the Commission Nationale de l'Informatique et des Libertés (CNIL), and the French parliamentary Committee for Digital Postal Affairs. France is expected to advocate for stricter requirements in future debates within the EU. The EU covers cloud services in their GPA schedule and is required to offer non-discriminatory access to U.S. and other GPA suppliers for covered procurements. The United States has presented its concerns about these policies in the WTO Committee on Government Procurement and in bilateral meetings with EU officials.

Member State Measures on Cloud Services

- *France:* France's national digital security agency, Agence Nationale de la Sécurité des Systèmes d'Information (ANSSI), maintains a security certification scheme for cloud services, commonly referred to as SecNumCloud. In May 2021, the French Government issued a strategy for the use of cloud computing by the state (Trusted Cloud strategy), requiring that government agencies and commercial entities considered "critical" must select only cloud services vendors with a SecNumCloud certification to handle their highly sensitive data. As part of this strategy, ANSSI published in March 2022 a revision to the SecNumCloud certification requirements. This revision requires that any cloud provider that handles "highly sensitive" data must be at least 61 percent EU-owned and "immune" from non-EU laws. France's Prime Minister signed an official circular on May 31, 2023, defining "sensitive data" to which SecNumCloud certification requirements apply. The vague definition of "sensitive data" could lead foreign cloud services suppliers to be increasingly precluded from providing cloud services to French public authorities.
- *Hungary:* State and local government bodies and organizations are only allowed to process data in systems operated in the territory of Hungary. Electronic information systems can only be hosted in EU Member States for organizations providing services deemed as critical, which include energy, transportation, agriculture, and health industries.

EU Defense Procurement

On March 4, 2024, the European Commission released its first European Defense Industrial Strategy (EDIS) and related draft legislation, the European Defense Investment Program (EDIP), which essentially seeks to establish a subsidy program. Member States continue to negotiate EDIP's final text. On September 17, 2024, the European Commission President sent a "mission letter" to the European Commissioner for Defense Space instructing the Commissioner to oversee the implementation of the defense strategy, including its recommendations related to procurement for EU-made equipment.

EDIS notes the goal of allocating 50 percent of EU military procurement budgets to EU-made equipment by 2030, with an increase to 60 percent by 2035. Consistent with this "buy European" philosophy, current proposals for EDIP require that at least 65 percent of the value of EDIP-funded projects accrue to EU firms in order to be eligible to EDIP funding. Further, Member States are considering a provision in EDIP on

“design authority” that would remove access to U.S. manufacturers, or inclusion of U.S. government regulations related to future use, alterations, or eventual third-party exports of defense articles. This raises concerns for U.S. defense equipment suppliers including its potential impact on U.S. domestic manufacturing and U.S. investment opportunities in the European defense sector and would harm small and medium-sized European enterprises that seek to grow but also depend on U.S.-made components. EU Member States cover non-sensitive defense procurements in their international procurement obligations in the WTO GPA and all defense procurements for a limited number of Member States in their Reciprocal Defense Procurement (RDP) Agreements administered by the U.S. Department of Defense (DOD). EU Member States therefore are required to offer reciprocal non-discriminatory access to U.S. goods, services, and suppliers for covered procurements. The United States will continue to closely monitor developments in this area to ensure EU procurement continues to be implemented consistent with international procurement obligations.

INTELLECTUAL PROPERTY PROTECTION

As part of the European Commission’s Digital Single Market Strategy, the Directive on Copyright in the Digital Single Market (Copyright Directive) went into effect in June 2019, with the stated goal of addressing legal uncertainty for both right holders and users with regard to certain uses of copyright-protected works and other subject matter in the digital environment. Some stakeholders report that certain Member States’ transposition of the copyright directive weakens copyright protection. The United States continues to follow copyright issues in the EU and its Member States and will continue to engage with various EU entities as appropriate to address U.S. stakeholder equities.

The Digital Services Act (DSA) entered into force on November 16, 2022. The DSA is intended to regulate certain online services, including through rules for how content is shared online. U.S. stakeholders have expressed concerns that the DSA’s adoption of a framework for limitations of liability included modifications to the eligibility threshold and conditions that had been set in the E-Commerce Directive, which may adversely impact their intellectual property (IP) rights, in particular for copyright and trademarks.

The Data Act entered into force on January 11, 2024 and seeks to maximize the value of data and promoting innovation by increasing the transfer of data that is stored within devices and applications. The Data Act requires the disclosure and making available of data that may be protected by the data holder’s or a third party’s trade secrets, copyright, or other IP.

The Artificial Intelligence (AI) Act entered into force on August 1, 2024 with various obligations applying at later stages. It aims to provide a risk-based approach to regulating the development, deployment, and use of AI-driven products, services, and systems. Stakeholders have concerns regarding the implementation of the Act related to source code, trade secrets, and copyright protection, including the requirement to comply with EU copyright law. The United States will continue to monitor developments.

In response to the CJEU’s judgment in Recorded Artists Actors Performers (RAPP), the European Commission on September 11, 2023 opened a consultation on the conditions for remuneration of music performers and record producers from non-EU countries for recorded music played in the EU. The CJEU held that all sound recording producers and performers from contracting parties to the World Intellectual Property Organization (WIPO) Performances and Phonograms Treaty (WPPT) are entitled to equitable remuneration. U.S. stakeholders are concerned about possible legislative change reversing the CJEU holding so that EU Member States will withhold royalties to U.S. producers and performers.

The United States remains very concerned by the EU's overbroad protection of geographical indications (GIs), which adversely impacts both protection of U.S. trademarks and market access for U.S. products that use common names in the EU and third country markets. For example, Regulation (EU) 2024/1143 contains numerous problematic provisions governing the scope of protection and enforcement of Protected Designations of Origin (PDOs) and Protected Geographical Indications (PGIs), including expansive rules about evocation, extension, co-existence, and translation, among others. These troubling provisions not only adversely affect trademark rights and the ability to use common names, but also undermine access to the EU market for U.S. right holders and producers. In addition, the EU has granted GI protection to thousands of terms that limits use in the EU market to only certain EU producers, and the use of any term that even "evokes" a GI is also blocked. Despite this level of protection afforded to products sold within the EU, it appears that some producers in Member States continue to produce products featuring terms that are protected as GIs in other Member States and then export these products outside the EU. The EU has also granted GI protection to the cheese names danbo and havarti, widely traded cheeses that are covered by international standards under Codex. Several countries, including the United States, opposed GI protection of these common names both during the EU's opposition period and at the WTO, but the European Commission granted the protection over that opposition and without sufficient explanation to interested parties.

Regulation (EU) 2024/1143 also serves as the basis for the EU's international GI agenda, which includes requiring EU trading partners to protect and enforce specific EU GIs in their markets, often with only limited due process requirements to safeguard existing producers, right holders, consumers, importers, and other interested parties.

The United States continues to have concerns about the EU's GI regulations and proposals, and monitors carefully their implementation and effects on bilateral trade. The United States is also concerned about Regulation (EU) 2023/2411, which goes into effect from December 1, 2025, and expands the scope of GI protection to craft and industrial products. The United States also does not believe that the EU should bargain for specific GI recognition in its bilateral trade agreements in return for market access, because such IP rights should be evaluated independently on their merits, based on the unique circumstances of each jurisdiction. Similarly, the United States is concerned by the EU's attempts to restrict common terms for wine in third country markets. The United States is carefully monitoring the EU's GI regulations and proposals as well as the implementation and effects of these regulations and proposals on bilateral trade.

The United States remains very concerned by the conduct and outcome of the 2015 WIPO negotiations to expand the Lisbon Agreement for the Protection of Appellations of Origin and their International Registration to include GIs. Of particular concern to the United States was the manner of engagement in these negotiations by the European Commission and by several Member States, including the Czech Republic, France, Greece, Italy, and Portugal, which took precedent-setting steps to deny the United States and the vast majority of WIPO countries full negotiating rights and depart from longstanding WIPO practice regarding consensus-based decision-making. Likewise, the resulting text—the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications—raises numerous and serious legal and commercial concerns, including with respect to the degree of inconsistency with the trademark systems of many WIPO countries, and could have significant negative commercial consequences for trademark holders and U.S. exporters that use common terms. The EU became a party to this Agreement in November 2019. The Agreement entered into force in February 2020.

Member State Measures on Intellectual Property

Although Member States generally maintain high levels of IP protection and enforcement, the United States remains concerned about the IP practices of several countries. The United States actively engages with the relevant authorities in these countries and will continue to monitor the adequacy and effectiveness of IP

protection and enforcement, including through the annual Special 301 review process. The United States is particularly concerned about counterfeit pharmaceuticals and personal protective equipment.

- *Belgium:* Stakeholders are critical of Belgium's enforcement efforts and state they are reactive and focus on detection rather than prevention. As a result, many right holders are dissuaded from enforcing their rights due to high-cost recovery and legal barriers, such as the burden of proof for commercial activity.
- *Bulgaria:* Bulgaria remained on the Watch List of the [2024 Special 301 Report](#). In 2023, Bulgaria took an important step to address deficiencies in its investigation and prosecution of online piracy cases by passing the *Act Amending and Supplementing the Criminal Code*, which is intended to improve the investigation and prosecution of online piracy cases. However, since the passage of the Act, Bulgaria has not yet prosecuted anyone responsible for the online piracy sites that are hosted or operated from within the country. Bulgaria continued to be a safe haven for online piracy in 2024 and the United States will monitor for developments.
- *Germany:* The 2021 transposition of the DSM Copyright Directive into German legislation introduced broad new exceptions for uses of copyright-protected works on online content sharing providers, which stakeholders say has weakened copyright protection and are being challenged before the Federal Constitutional Court. Stakeholders also voiced concerns over the implementation of Article 17 of the DSM Copyright Directive, which introduced direct remuneration claims for authors and owners of certain related rights, subject to mandatory collective rights management. Stakeholders alleged that the implementation placed unreasonable restrictions on the freedom of contract and, as a result, complaints have been filed with the German Constitutional Court. U.S. stakeholders also voiced concerns that Germany's legal framework for technological protection measures remains inadequate and that Germany's private copy exception is too broad. The United States will monitor how implementation impacts U.S. stakeholders.
- *Poland:* Some stakeholders continued to identify copyright piracy online as a concern in Poland and some claimed inconsistent enforcement on the part of law enforcement and backlogs in the Polish courts. Some stakeholders also expressed concern about access to counterfeit products. Polish interlocutors in the Digital and Culture Ministries have identified online piracy and illegal streaming as enforcement priorities in bilateral meetings with U.S. government representatives.
- *Romania:* Online piracy remains a concern with some notorious online pirate sites reportedly hosted or registered in Romania. Low penalties for IP violations impede investigations and do not offer any meaningful deterrent to further IP crimes, so law enforcement choose to bundle significant cases under tax evasion penal files. Romania lacks an effective and timely mechanism for right holders to submit takedown requests against online markets and hosting platforms for infringing material. Adequate resources, including additional training for law enforcement, are needed to enhance enforcement quality. Although Romania has made progress on addressing long-standing IP protection and enforcement concerns, the United States continues to closely follow IP-related developments in the country.

SERVICES BARRIERS

Audiovisual Services

In 2018, amendments to the 2007 Audiovisual Media Services Directive (AVMSD) were adopted to reflect developments in the audiovisual and video-on-demand markets. Member States were given 21 months to transpose the amendments into national legislation.

The original AVMSD established minimum content quotas for broadcasting that had to be enforced by all Member States. Member State requirements were permitted to exceed this minimum quota for EU content, and several have done so. However, the original AVMSD did not set any strict content quotas for on-demand services, although it still required Member States to ensure that on-demand services encourage production of, and access to, “EU works.”

The 2018 amendments include provisions that impose on Internet-based video-on-demand providers a minimum 30 percent threshold for EU content in their catalogues and require that they give prominence to EU content in their offerings. The new AVMSD also provides Member States the option of requiring on-demand service providers not based in their territory, but whose targeted audience is in their territory, to contribute financially to EU works, based on revenues generated in that Member State. In addition, the new rules extend the scope of the AVMSD to video-sharing platforms that tag and organize content.

Member State Measures on Audiovisual Services

A number of Member States maintain measures that affect trade in audiovisual services. A summary of some of the more significant national practices follows.

- *Belgium:* In the Wallonia-Brussels Federation, video-on-demand services must invest a percentage of revenue into regional audiovisual works or pay a levy to the region’s Cinema and Audiovisual Centre. In 2024, a new law entered into force that increased the mandatory contribution for the largest service suppliers to 9.5 percent of revenue. Additionally in 2024, the Flemish Parliament adopted a law increasing the investment obligation on VOD services from 2 percent to up to 4 percent, accompanied by additional restrictions relating to IP ownership limitations.
- *Denmark:* The Danish Government passed legislation in 2024 that includes a five to seven percent tax on streaming services’ revenue in Denmark. The legislation would require a two percent basic contribution of revenue, and the choice between either investing at least five percent in Danish content, or an additional three percent contribution of revenue in Denmark from audiovisual content.
- *France:* Internet, cable, and satellite networks are required to broadcast 50 percent EU content and 30 percent to 35 percent French-language content, and must increase their investment in the production of French-language content. For VOD services, France requires an investment obligation of at least 15 percent (for television VOD services) and up to 25 percent (for streaming VOD services) of their net annual French revenues. France also imposes significant sub-quotas (up to 75 percent) for commissioned independent productions and works of original French expression. The legislative framework does not provide an exemption for thematic or niche AV services.

Cinemas must reserve five weeks per quarter for the exhibition of French feature films. This requirement is reduced to four weeks per quarter for theaters that include a French short subject

film during six weeks of the preceding quarter. Operators of multiplexes may not screen any one film in such a way as to account for more than 30 percent of the multiplex's weekly shows.

- *Italy:* The Italian Consolidated Audiovisual Media Services Act requires that 50 percent of eligible broadcast hours be European works, as defined in the measure, and that commercial television channel devote 16.6 percent of eligible hours to Italian works. In addition, domestic video-on-demand services must ensure that 30 percent of their catalogues are for European works produced within the past five years. Fifteen percent of a subscription video-on demand service's catalogue must be dedicated to Italian works produced by independent producers within the past five years. Non-linear video-on-demand providers subject to Italian jurisdiction must also give prominence to EU works.

Under the Italian law, commercial broadcasters must annually invest 12.5 percent of their revenues in the production of independent European works. Half of this money is reserved for Italian works. Foreign and domestic video-on-demand providers must devote 16 percent of their annual net revenues generated in Italy to the production of European independent works. Seventy percent of the investment obligation must be reserved for Italian works produced by independent Italian producers.

- *The Netherlands:* A law mandating VOD service providers invest 5 percent of national revenues either into Dutch works or into the Dutch film fund entered into force in 2024. This law applies to VOD services with an annual turnover of at least €10 million (approximately \$10.4 million) within the Netherlands, and includes a 60 percent sub-quota for independent productions. The Netherlands also imposes a 30 percent European works catalogue quota for VOD services.
- *Poland:* Television broadcasters must dedicate at least 33 percent of their broadcasting time (excluding time allocated to information services, advertisements, telemarketing, sports broadcasts, and game shows) to programs originally produced in the Polish language, at least 50 percent of their broadcasting time to programs of EU origin, and at least 10 percent of their broadcasting time to programs by EU independent producers. On-demand services must promote content of EU origin, especially content originally produced in Polish, and dedicate at least 30 percent of their catalogue to EU content.
- *Spain:* For every three days that a film from a non-EU country is screened, one EU film must be shown in movie theaters. This ratio is reduced to every four days if the cinema screens a film in an official language of Spain other than Spanish and keeps showing the film in that language throughout the day. The catalogue of on-demand services must include at least thirty percent EU content, of which at least half must be in an official language of Spain. In addition, broadcasters and on-demand services with revenues exceeding €50 million (approximately \$52 million) must invest five percent of their revenues in the production of EU and Spanish works, and 40 percent of this allocation must be reserved for works of independent producers in any of Spain's official languages.

Professional Services

Austria, Belgium, Bulgaria, Croatia, Cyprus, Greece, Hungary, Latvia, Lithuania, and Malta require EU or European Economic Area (EEA) nationality or citizenship for full admission to the bar, which is necessary for the practice of EU and Member State law. In many cases, non-EU lawyers holding authorization to practice law in one Member State face more burdensome procedures to obtain authorization in another Member State than would a similarly situated lawyer holding EU citizenship.

The European Commission has taken the position that its directive on statutory auditing prohibits Member States from considering professional experience of foreign auditors acquired outside of the EU when considering whether to grant statutory auditing rights. The United States will continue to advocate for Member States to take into account the experience of U.S. certified public accountants acquired outside of the EU.

Telecommunications Services

Regulation on Privacy and Electronic Communications

In January 2017, the European Commission proposed a new Regulation on Privacy and Electronic Communications, which would replace the e-Privacy Directive of 2002. The proposed regulation would expand the scope of the existing directive, which applies to traditional telecommunications services providers, to include over-the-top Internet-enabled services. U.S. suppliers have expressed concerns that, although the proposed regulation is supposed to align the specific rules for telecommunications services with the General Data Protection Regulation (GDPR), it may lead to additional and potentially conflicting requirements. The European Parliament adopted its version of the proposed regulation in 2017 and the Council of the European Union adopted its version of the proposed regulation in 2021. In February 2025, however, the Commission announced plans to withdraw the proposal for the Regulation on Privacy and Electronic Communications because no agreement is expected between the Council of the European Union and the European Parliament.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Digital Services Taxation

The United States and EU Member States are among the 137 member jurisdictions to have joined the October 8, 2021, OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting [Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitization of the Economy](#), which called for all Parties to commit to not introduce digital services taxes (DSTs) in the future. On October 21, 2021, the United States, under the prior Administration, joined Austria, France, Italy, Spain, and the United Kingdom (UK) in a [joint statement](#) “on a transitional approach to existing Unilateral Measures while implementing Pillar 1.” According to the statement, DST liability that accrued to Austria, France, Italy, Spain, or the UK during a transitional period prior to the implementation of Pillar 1 would be creditable in defined circumstances against future corporate income tax liability due under Pillar 1. In return, Section 301 trade actions initiated during 2019 and 2020 on goods with respect to each of Austria, France, Italy, Spain, and the UK were not continued. The arrangement set out in the October 21, 2021, joint statement was extended to June 30, 2024.

On January 20, 2025 the United States issued a White House Memorandum titled “The Organization for Economic Co-Operation and Development (OECD) Global Tax Deal (Global Tax Deal).” The memorandum stated:

The Secretary of the Treasury and the Permanent Representative of the United States to the OECD shall notify the OECD that any commitments made by the prior administration on behalf of the United States with respect to the Global Tax Deal have no force of effect within the United States absent an act by the Congress adopting the relevant provisions of the Global Tax Deal.

On January 22, 2025, appropriate representatives of the Treasury Department provided notice to the Director of the Centre of Tax Policy and Administration at the OECD. On January 24, 2025, the U.S. Permanent Delegation to the OECD provided similar notice to the Secretary General of the OECD.

Digital Services Act

The Digital Services Act (DSA) entered into force in November 2022, and took effect on February 17, 2024, with certain provisions already in effect on November 16, 2022. The DSA provides the Commission authority to regulate the business practices of certain large digital services suppliers, designated as “Very Large Online Platforms” (VLOPs), which include online platforms with “average monthly active recipients of the service” in the EU equal to or higher than 45 million (this number will be adjusted by the EU in the future to ensure it corresponds to 10 percent of the EU population). The DSA also imposes strict transparency and reporting obligations and audit requirements, and requires VLOPs to address “systemic risks” present in their services. The DSA defines systemic risks as the dissemination of illegal content, any negative effects for the exercise of certain fundamental rights, and intentional manipulation of the service. A VLOP has to consider how its content moderation systems, recommendation systems, and systems for displaying advertisements, influence these risks and enact mitigation measures for any systemic risks. Once a platform is designated as a VLOP by the Commission, the platform has four months to come into compliance with its obligations under the DSA.

The DSA provides the Member States and the Commission with the authority to impose fines not exceeding six percent of the total annual turnover of a VLOP and in some instances can impose a periodic fine of up to 5 percent of average daily global turnover for each day a VLOP fails to comply with a remedy, interim measure, or commitment imposed by the Commission. In certain instances, the Commission can also order a VLOP to suspend its operations in the EU. The DSA also provides the Commission with the power to adopt “delegated acts” for portions of the DSA, granting the Commission expansive authority to adopt additional regulation. On April 25, 2023, the European Commission designated the first set of VLOPs. The majority of designated VLOPs are U.S. firms, resulting in regulatory burdens that disproportionately affect U.S. firms.

Digital Markets Act

The Digital Markets Act (DMA) entered into force in November 2022 and took effect in May 2023. The DMA provides the Commission with authority to regulate the business practices of certain large digital services suppliers, designated as “gatekeepers.” The DMA authorizes the Commission to impose fines not exceeding 10 percent of the total annual turnover of a gatekeeper, and in case of repeat offenses 20 percent of total annual turnover, and provides the Commission with the power to adopt “delegated acts” for portions of the DMA, thereby granting the Commission expansive authority to adopt additional regulation.

While the Commission has broad authority to determine that any provider of one or more core platform services is a “gatekeeper,” and is therefore subject to the DMA’s requirements, the DMA sets out that the Commission should designate as a “gatekeeper” any provider that: (1) provides a core platform services in at least three Member States and has an annual EEA turnover of €6.5 billion (approximately \$7.7 billion) or more over the previous three years, or an average market capitalization of at least €65 billion (approximately \$78 billion); and (2) has had, for each of the last three financial years, 45 million monthly active end users established or located in the EU and more than 10,000 yearly active business users established in the EU. A company that meets the criteria to be designated a gatekeeper under the DMA has a two-month period in which to notify the Commission that it believes that it meets the criteria to be designated a gatekeeper. Following that notification, the Commission has 45 working days to decide on the company’s gatekeeper designation. Once a provider has been designated as a gatekeeper, the provider will have six months to come into compliance with a number of obligations set out in Articles 5 and 6 of

the DMA. The Commission designated the first set of “gatekeepers” in September 2023 and they were given six months to comply.

The DMA defines “core platform services” to include a broad swath of existing digital services, including online intermediation services, online search engines, online social networking services, video sharing platform services, number-independent interpersonal communications services, operating systems, cloud computing services, and advertising services (including networks, exchanges, and any other advertising intermediation services). The DMA provides the Commission with authority to add new services to the list of “core platform services.”

The DMA gives the Commission broad authority to conduct market investigations to determine whether to designate a provider as a gatekeeper and whether a gatekeeper is in full compliance with obligations under the DMA. If the Commission determines that a gatekeeper has “systemically infringed” obligations in Articles 5 and 6 of the DMA and has “further strengthened or extended its gatekeeper position,” the Commission may impose “any behavioral or structural remedies” that are proportionate to the infringement.

The “gatekeepers” designated by the DMA disproportionately capture U.S. firms compared to their EU competitors, and therefore undermine U.S. competitiveness in the European market by increasing the compliance costs on certain U.S. firms while not placing a similar burden on EU competitors. The Commission is currently investigating U.S. firms and has imposed excessive fines for violating the DMA.

Artificial Intelligence (AI) Act

The EU AI Act entered into force in August 2024, with rules applying in a staggered manner between February 2025 and August 2027. The Act establishes a risk-based approach to regulating AI systems by identifying AI systems as minimal, limited, high, or unacceptable risks, and regulating accordingly, including through conformity assessment. The AI Act applies differentiated obligations to various actors, in an effort to include the AI systems’ manufacturers, importers, and users. The Act’s scope applies to services such as machine learning programs, translations programs, speech to text conversion, or forecasting and optimization programs. The Act employs the strictest requirements on applications deemed “high-risk”, such as facial recognition technology, credit scoring, and critical infrastructure. AI systems deemed as “unacceptable risk” are banned.

The Act will be supplemented by Implementing Acts and standards to operationalize its requirements for general-purpose AI, foundation models and high-risk AI. The Commission launched a consultation on a Code of Practice for providers of general-purpose AI (AI systems designed to perform a broad range of tasks, such as large-language models), which is expected to be finalized by April 2025.

The AI Act will also require providers of general-purpose AI to disclose a “sufficiently detailed” summary of their model training data. The Commission is currently developing a template for these disclosures. If the template requires granular disclosure of training data, it may impinge on the IP, including trade secrets of model developers.

CEN and CENELEC, the European standardization bodies, have launched a dedicated technical committee (JTC 21) to develop harmonized standards that will support the implementation of the AI Act, including a framework for AI trustworthiness and standards for AI risk management and quality assurance. It remains unclear whether these standards will be consistent with existing ISO standards (*e.g.*, ISO 42001). Divergent standards would require U.S. firms to adapt to EU-specific requirements.

Data Act

The Data Act entered into force in January 2024, and its rules will go into effect on September 12, 2025. The Act establishes rules for access and use of both personal and non-personal data by businesses, consumers, researchers, and public sector bodies, including data generated by connected devices and digital services. The Act applies to the transfer or “sharing” of business-to-business, business-to-consumer, and business-to-government non-personal data that is stored within industrial applications (*e.g.*, robots, wind farms) and smart devices (*e.g.*, smart TVs, connected cars). The Data Act regulates the rights of users (in many cases meaning the generators of such data, like the users of smart TVs or drivers of connected cars) to access data that these connected machines or devices generate. The Data Act also mandates certain sharing of this data with third parties, including researchers, public sector bodies, and other private companies. Firms may only refuse access to data covered by trade secrets in exceptional circumstances, but can require the users and third parties to preserve the confidentiality of data considered to be trade secrets. Additionally, the Data Act requires cloud service and other data processing service providers to remove obstacles for customers terminating their service. On international transfers of non-personal data, the rules oblige providers of such services to take “all reasonable technical, legal and organizational measures, including contractual arrangements” to prevent international transfers or governmental access to non-personal data that are in conflict with EU or Member state law. This may impose burdensome requirements on U.S. service providers and undermine the ability of U.S. providers of such services to compete in the European market.

Data Localization

The GDPR took effect in May 2018. The GDPR restricts the transfer of the personal data of EU “data subjects” (any natural person whose personal data is being processed) outside of the EU, except to specific countries that the EU has determined provide adequate data protection under EU law or when other specific requirements are met, such as the use of standard contractual clauses (SCCs) or binding corporate rules. Restrictions on the flow of data have a significant effect on the conditions for the cross-border supply of numerous services and for enabling the functionality embedded in intelligent goods (*i.e.*, smart devices), among other effects. Due to the EU’s assertion of extraterritorial jurisdiction for the GDPR, as well as the GDPR’s broad impact on many areas of the economy, U.S. companies have expressed concerns that there remains a need for clear and consistent guidance in the implementation and enforcement of the GDPR.

In July 2016, the European Commission granted the United States an adequacy decision that applies to companies participating in the EU-U.S. Privacy Shield Framework. In July 2020, however, the CJEU issued a judgment in the Schrems II litigation that invalidated the Commission’s decision. Although the CJEU’s judgment upheld the overall validity of SCCs, it nonetheless imposed an affirmative obligation on entities using SCCs “to verify, on a case-by-case basis ... whether the law of the third country of destination ensures adequate protection, under EU law, of personal data transferred pursuant to standard data production clauses” In January and February 2022, multiple European Data Protection Authorities issued rulings that certain websites transferring analytics data to the United States were in breach of the GDPR, based on the Schrems II judgment. On March 25, 2022, the United States and EU announced that they have agreed in principle on a new EU-U.S. Data Privacy Framework (DPF), which is designed to provide a new mechanism to comply with EU data protection requirements for the transfer of personal data from the European Union. In July 2023, the Commission granted the United States an adequacy decision for the DPF, and organizations that self-certify their compliance with the DPF principles started transferring personal data from the EU to the U.S. in reliance on the DPF without SSCs. As of December 31, 2024, there were two pending legal challenges in the CJEU against the DPF, one on administrative grounds and one on substantive issues.

Network Usage Fees

On May 2, 2022, the European Telecommunications Network Operators Association (ETNO) released a report urging the European Commission to adopt new regulation that would require large Internet-enabled service suppliers to pay network usage fees to European telecommunications network operators in order to recoup costs they claim telecommunications network operators bear due to carrying high-bandwidth content. On October 7, 2022, the Body of European Regulators for Electronic Communications (BEREC) adopted a report that concluded the ETNO proposal was unnecessary and “could be of significant harm to the Internet ecosystem.” On February 23, 2023, the European Commission launched a public consultation on the EU’s connectivity sector and telecommunications infrastructure. On May 19, 2023, the United States submitted formal comments to the European Commission raising concerns with mandating direct payments from content and application suppliers to telecommunications network operators. On October 10, 2023, the European Commission published the results of this consultation, concluding that no plan for network usage fees would proceed given the feedback from stakeholders. On February 21, 2024, the European Commission published a white paper entitled “How to Master Europe’s Infrastructure Needs?”. On September 17, 2024, President of the European Commission, in her mission letter to the Executive Vice-President-designate for Tech Sovereignty, Security and Democracy, charged her with work on developing a new “Digital Networks Act to help boost secure high-speed broadband, both fixed and wireless” and directed her to “incentivize and encourage investments in digital infrastructure, taking into account responses to the Commission’s White Paper of February 2024.”

INVESTMENT BARRIERS

With few exceptions, EU law generally requires that any company established under the law of one Member State must receive national treatment in all other Member States, regardless of the company’s ultimate ownership. Laws and regulations pertaining to the initial entry of foreign (*i.e.*, non-EU) investors, however, largely remain the purview of individual Member States. As discussed below, the policies and practices of Member States can have a significant impact on U.S. investment.

Member State Measures on Investment

- *Croatia*: While Croatia generally affords foreign investors the same treatment as domestic investors, Croatian law restricts non-EU ownership and control in certain sectors, such as inland waterways transport, maritime transport, rail transport, air to ground handling, freight-forwarding, publishing, ski instruction, and primary mandated healthcare.
- *Cyprus*: Cypriot law imposes restrictions on non-EU ownership in certain sectors and activities. For example, only EU citizens have the right to register as construction contractors in Cyprus, and non-EU investors are not allowed to own a majority stake in a local construction company. In addition, a non-EU investor may not own more than five percent of a local television or radio station, and total non-EU ownership of any single local TV or radio station is restricted to a maximum of 25 percent.
- *Denmark*: Denmark is generally open to foreign investment, but requires at least 20 percent government ownership for projects that require licenses or tenders in oil and gas exploration, carbon capture and storage, and offshore wind farms. Some stakeholders have expressed concern that the government ownership requirement could delay or hinder the deployment of both renewable and traditional energy technologies and projects.
- *Germany*: Germany has a novel withholding tax related to IP such as patents and trademarks registered in Germany, which is applied to all or nearly all revenues related to a license or other IP transfer

agreement that is attributable to that registered IP, even when there is no related economic activity in Germany. By levying this withholding tax, German tax authorities appear to be applying the German Income Tax Act's section 49 paragraph 1 number 2-f retroactively and extraterritorially to related-party transactions, including both royalties and IP restructuring transactions. The approach does not conform with international tax practices and appears to be applied almost exclusively to U.S. firms.

- *Hungary:* In 2020, the Hungarian Parliament passed a law requiring the reporting of foreign investments to the government in certain sectors, including transportation, healthcare, energy, tourism, defense, finance, and information technology. The Hungarian Government reviews and grants approvals on the basis of the impact of the notified investment on the public interest, public safety, or public order, among other factors. This process is separate from Hungary's national security-based investment screening mechanism, which was established in 2018. Although this legislation was originally set to expire on December 31, 2022, it was extended in December 2021 without a date of expiry. Stakeholders report that there are key differences between the two investment screening mechanisms, including their scopes, definitions, implementing ministries, and review procedures, which lead to complexities and delays with investing in Hungary. The European Court of Justice ruled in 2023 that Hungary's foreign investment screening law is incompatible with EU law, in particular the freedom of establishment. In 2024, Hungary amended the law to grant a pre-emption right to the Minister of Energy for notified investments in Hungarian companies engaged in solar power generation. If exercised, the pre-emption right entitles the National Asset Management Company, a state-owned asset holding company, to acquire ownership of the solar power company.
- *Italy:* U.S. companies have complained that unclear processes and lengthy delays have hindered their ability to apply for and obtain licenses or permits for energy and infrastructure investment projects in Italy. Once licenses or permits have been granted, U.S. companies have faced legal and bureaucratic hurdles that have hindered their ability to obtain concessions.
- *Latvia:* U.S. investors have reported that the judicial system in Latvia can present significant challenges, particularly in regard to insolvency proceedings that often take several years to resolve. U.S. stakeholders also continue to voice similar concerns about civil cases.
- *Poland:* Polish law limits non-EU citizens to 49 percent ownership of companies operating in air transport, radio and television broadcasting, and airport and seaport operations. Under the previous government, U.S. investors reported that the Polish tax system was complex and unpredictable, with generally short time periods between the announcement of the legislation and its entry into force. Since December 2023, the Polish Government has committed to taking steps to improve the Polish tax system, including by consulting with the private sector and increasing lead time on proposed legislative changes.

In addition, the previous government took measures such as sectoral taxes, fines, and use of state-controlled companies to purchase media to increase the percentage of domestic ownership in industries such as media, banking, and retail, which had large holdings by foreign companies. With respect to the media sector, the current government has a stated goal of deregulating and privatizing the sector.

- *Portugal:* While Portugal generally affords foreign investors the same treatment as domestic investors, Portuguese law requires companies engaged in the production, transmission, and distribution of electricity; the production of gas; the pipeline transportation of fuels; wholesale services of electricity; retailing services of electricity and non-bottled gas; and services incidental to electricity and natural gas distribution to have an entity incorporated and with effective management in Portugal to qualify for concessions.

- *Spain:* While Spain generally affords foreign investors the same treatment as domestic investors, Spanish law restricts individual non-EU ownership of audio-visual broadcasting licenses to 25 percent. Specifically, a non-EU company may own no more than 25 percent of a company holding a digital terrestrial television broadcasting license, and total non-EU ownership may not exceed 50 percent in the aggregate.
- *Sweden:* Sweden is generally open to foreign investment but restricts non-EU ownership in certain limited professional services, including by prohibiting non-EU ownership of any corporation or partnership providing legal services and by limiting non-EU investment to no more than 25 percent in the accountancy sector.

SUBSIDIES

Various financial transactions and equity arrangements in the EU raise questions about the role of state funding in supporting or subsidizing private or quasi-private organizations, including in the manufacture of civil aircraft.

Government Support for Airbus

In October 2019, after 15 years of litigation, the WTO authorized the United States to take \$7.5 billion in trade countermeasures in the dispute against the EU, France, Germany, Spain, and the United Kingdom regarding their illegal subsidies for the Airbus consortium.

On June 15, 2021, the United States and the EU announced a cooperative framework to address the large civil aircraft disputes. The cooperative framework suspended each side's tariffs related to this dispute for five years. The United States and the EU also agreed to principles for government support in this sector, including their shared intent that any financing for the production or development of large civil aircraft be on market terms. The United States and the EU further agreed to collaborate on jointly analyzing and addressing non-market policies and practices of third countries that may harm the U.S. and EU large civil aircraft industries.

Over many years, France, Germany, Spain, and, to a much lesser extent, Belgium, have provided subsidies to Airbus-affiliated national companies to aid in the development, production, and marketing of Airbus's large civil aircraft. These governments have financed from 33 percent to 100 percent of the development costs (launch aid) for all Airbus aircraft models. They have also provided other forms of support, including equity infusions, debt forgiveness, debt rollovers, marketing assistance, and research and development funding, and have applied political and economic pressure on purchasing governments. The cooperative framework affirms the EU's intent to provide future funding only on market terms.

In addition to these subsidies, the EU maintains aeronautics research programs that are driven significantly by a policy intended to enhance the international competitiveness of the EU civil aeronautics industry. EU Member State governments have spent hundreds of millions of euros to create infrastructure for Airbus programs.

The United States will monitor any government financing of Airbus closely.

Subsidies for Fruit and Vegetables

The EU Common Market Organization (CMO) provides a framework for market measures under the EU's Common Agricultural Policy, including for measures related to the promotion of fruit and vegetables. Implementing rules covering fresh and processed products are designed to encourage the development of producer organizations (POs) as the main vehicle for crisis management and market promotion. The CMO makes payments to POs for dozens of products, including peaches, citrus fruits, and olives.

In 2015, a new basic payment scheme and greening payments were introduced, replacing the single payment scheme. Direct payments also are paid to support certain processing sectors, including, for example, peaches for juicing in Greece. The general lack of transparency around the distribution of EU subsidies at the Member State level in the fruit and vegetable industry raises questions about whether the payments are decoupled from production, and U.S. producers remain concerned about potential hidden subsidies. The United States continues to monitor and review EU assistance in this sector, evaluating potential trade-distorting effects.

OTHER BARRIERS

Pharmaceutical Products

On April 26, 2023, the European Commission published a proposal to revise the EU's general pharmaceutical legislation. The proposal included a new directive and a new regulation relating to medicinal products for human use intended to address, in part, regulatory protection for innovative medicines and to create more favorable procedures for marketing authorization. This would provide incentives for companies to launch simultaneously across the EU. However, the conditions attached to the incentives include factors that may not be fully within the control of companies, such as processing times for marketing authorization and reimbursement determinations in each EU Member State. The European Commission also published, on October 24, 2023, a "Communication on Addressing medicine shortages in the EU," which adopted a set of actions to address critical shortages of medicines and enhance the security of their supply in the EU.

The revision to the EU pharmaceutical legislation was in the final stages of the legislative process as of December 31, 2024. The European Parliament adopted its position on the reform on April 10, 2024. The next step involves a detailed review by the Council of the European Union, with a vote for adoption expected in 2025. The United States is monitoring developments.

Member State Measures on Pharmaceutical Products

U.S. pharmaceutical stakeholders have expressed concerns about several EU Member State policies affecting market access for pharmaceutical products, including non-transparent procedures and a lack of meaningful stakeholder input into policies related to pricing and reimbursement. These policies have been identified in several Member States as described below. Stakeholders have also expressed concerns over inconsistent and lengthy time periods for pricing and reimbursement decisions. U.S. industry stakeholders have grown increasingly concerned about policies that are being formulated with little opportunity for engagement. In addition, changes to EMA policy regarding disclosures of clinical trial data, including potential disclosure of confidential commercial information submitted to EMA by pharmaceutical firms seeking marketing authorization, are also of concern to stakeholders. The United States continues to engage with the EU and individual Member States on these matters.

- *Austria:* U.S. pharmaceutical companies continue to express concerns about reimbursement pricing decisions by the statutory insurance providers association that are non-transparent and not preceded by a meaningful opportunity for stakeholder engagement.
- *Belgium:* U.S. industry stakeholders report that domestically manufactured medicines are permitted a price premium of up to 10 percent on the manufacturing cost component when calculating their manufacturer's selling price. Imported products are only eligible for up to a five percent price premium. Meanwhile, initiatives intended to lead to faster market access for new innovative drugs have been slowly, and incompletely, implemented.
- *Czech Republic:* Although the Czech Republic's system for determining pharmaceutical pricing and reimbursement for innovation remains challenging for U.S. companies, many report the situation has improved after new legislation came into effect in early 2022. Still, U.S. companies continue to express concerns regarding lengthy reimbursement processes.
- *France:* U.S. stakeholders have expressed concerns that the process of gaining market access for drugs in France is slower than elsewhere in the EU, resulting from delays in reimbursement approvals of as much as 19 months after marketing authorization, compared to the no more than 16 months required by EU law.
- *Greece:* U.S. pharmaceutical industry stakeholders have continued to raise major concerns about the lack of transparency or opportunities for meaningful stakeholder input into the application of policies. Stakeholders have also raised concerns about lengthy reimbursement timelines and inconsistent application of pricing and reimbursement processes.
- *Hungary:* U.S. pharmaceutical industry stakeholders have expressed concerns regarding delays in decision-making and reimbursement and lengthy processes for making changes to the list of drugs approved for reimbursement. The average wait time to include an innovative therapy in the national reimbursement is over two years in Hungary, which is one of the longest in the EU. U.S. pharmaceutical industry stakeholders note the lack of opportunity to provide input into these pricing and reimbursement processes.
- *Ireland:* Pharmaceutical industry stakeholders, including many U.S. firms, continue to express concerns over the Irish Government's delays in reimbursement decisions. Access to new drugs and innovative medicines are subject to a lengthy decision process. In response to stakeholder complaints in February 2023, the Irish Government published a report recommending improvements in the reimbursement approval process, including an increase in governance and transparency. The Minister of Health established an implementation working group to consider and progress the report recommendations. As of December 31, 2024, the Ministry was progressing 13 of the 17 recommendations of the report. Industry is encouraged by Ireland's Ministry of Health's creation of an internal working group aimed at making the reimbursement process more efficient.
- *Italy:* U.S. healthcare industry stakeholders face an unpredictable business environment in Italy, which includes the Italian Government's highly variable implementation of complex pricing and reimbursement policies, and have raised concerns about reimbursement delays for pharmaceutical products and delayed payments for medical devices. Moreover, the average time Italian public hospitals take to pay medical device suppliers continues to exceed the maximum period permitted by EU law. U.S. industry stakeholders continue to request that the Italian Government address these issues.

- *Poland:* U.S. stakeholders have expressed concerns over the lack of opportunity for meaningful stakeholder input into Poland's rulemaking and tendering processes, as well as the transparency of reimbursement rules for pharmaceutical products. U.S. industry stakeholders report that Poland's pricing and reimbursement system is backlogged, taking more than 844 days on average from regulatory approval to patient access. The United States will continue to urge Poland to engage meaningfully with stakeholders with respect to their concerns.
- *Romania:* Innovative pharmaceutical producers have identified several significant challenges resulting from the Romanian Government's failure to update, despite repeated requests, the lists of innovative pharmaceuticals that are eligible for reimbursement under the national health system, with numerous applications pending. In addition, both innovative and generic pharmaceutical companies have withdrawn drugs from the Romanian market, as the official prices set in Romania can fall below production costs.
- *Spain:* U.S. pharmaceutical industry stakeholders continue to note concerns as to cost containment measures affecting the industry, including lack of clarity around criteria for reimbursement, substantial delays in reimbursement processes, and uneven patient access across autonomous regions. Industry stakeholders have raised concerns about lack of clarity in the guidelines and decision-making criteria of the Spanish Government's procurement process for vaccines.

EU Fluorinated Greenhouse Gas Regulation

The F-Gas policies initially discussed in the Technical Barriers to Trade section of this NTE Report chapter place restrictions on the sale of certain refrigeration and air conditioning equipment, foams, and propellants that use fluorinated gases. In particular, using a quota system, the F-Gas policies limit and, over time, progressively restrict the quantity of hydrofluorocarbons (HFCs) available for use in the EU.

The European Union's update to its F-Gas policies, Regulation (EU) 2024/573, went into force in March 2024 with additional restrictions relative to current 2030 targets. U.S. stakeholders have expressed concerns that the regulation's reductions in HFC quotas and imposition of an unrealistic timeline to introduce lower Global Warming Potential (GWP) alternatives has increased illegal trade in HFCs. U.S. stakeholders also have expressed concerns that insufficient oversight and enforcement by the EU and many Member States of F-Gas Regulation (EU) 2024/573 has allowed for widespread importations of HFCs that exceed, and otherwise are not accounted for under, the EU's quota system. Such imports negatively affect U.S. exporters of environmentally friendly alternative refrigerants and undermine stated EU environmental objectives. U.S. stakeholders have further expressed concerns that the potentially different approaches between F-Gas Regulation (EU) 2024/573 and REACH's forthcoming definition of PFAS could pose a compliance challenge.

The United States and stakeholders are also concerned that HFCs are trafficked without the knowledge of customs officials, either hidden or falsely declared on customs forms, or they are imported unaccounted for when already integrated in equipment containing HFCs.

EU Carbon Border Adjustment Mechanism

On October 1, 2023, the EU began implementing the transitional period for its Carbon Border Adjustment Mechanism (CBAM) regulation. The transitional phase will last until December 31, 2025. The adopted EU Implementing Regulation details the transitional reporting obligations for EU importers of CBAM goods, as well as the transitional methodology for calculating embedded emissions released during the production process of CBAM goods. During the CBAM's transitional phase, traders will have to report on

the emissions embedded in their imports subject to the mechanism, but are not required to pay any financial adjustment. The sectors that will be initially affected are cement, iron and steel, aluminum, fertilizers, electricity, and hydrogen. CBAM may eventually extend to other sectors covered under the EU Emissions Trading System (ETS) after the transition phase concludes. Some stakeholders have raised concerns about the implementation of the CBAM, including complicated reporting requirements and uncertainty around final procedures. By the middle of 2025, the Commission is planning to review the lessons learned from the transitional period to make adjustments to the process. Beginning in 2026, CBAM will impose a fee on embedded emissions of imports. The fee will be linked to the carbon price in the EU ETS. While the EU's CBAM will credit imports for explicit carbon prices paid by foreign producers in their home market, U.S. exports may not be eligible for such credits since CBAM does not offer credits for regulatory and other non-price mechanisms for reducing carbon emissions.

GHANA

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Ghana's average Most-Favored-Nation (MFN) applied tariff rate was 12 percent in 2023 (latest data available). Ghana's average MFN applied tariff rate was 15.9 percent for agricultural products and 11.4 percent for nonagricultural products in 2023 (latest data available). Ghana has bound 15.1 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 92.0 percent. Ghana has bound all agricultural tariffs in the WTO at an average rate of 96.6 percent—more than six times the average level of its MFN applied rates on agricultural goods. Ghana has bound some selected agricultural goods, including milk and cream, eggs, tea, wheat, and oil cake at 15 percent. Nearly 99 percent of Ghana's tariffs on industrial goods are unbound at the WTO.

Consistent with the Economic Community of West African States (ECOWAS) Common External Tariff (CET), Ghana applies five tariff bands: (1) zero percent duty on essential social goods (*e.g.*, medicine); (2) 5 percent duty on essential commodities, raw materials, and capital goods; (3) 10 percent duty on intermediate goods; (4) 20 percent duty on consumer goods; and (5) 35 percent duty on certain goods that the Ghanaian Government elected to afford greater protection. The CET was slated to be fully harmonized by 2020, but, in practice, some ECOWAS Member States have maintained deviations from the CET beyond the January 1, 2020 deadline. Ghana was still in the process of adopting the Harmonized Schedule 2022 changes to the CET tariff schedule as of December 2024.

The Customs (Amendment) Act, 2020 (Act 1014) increased the import duty on vehicles and parts from between 5 percent and 20 percent to 35 percent on some specified vehicles such as passenger cars, sport utility vehicles, and light commercial vehicles. Ghana applied the 35 percent tariff rate to vehicles that are less than five years old, retaining the current lower tariffs on older vehicles. Ghana has not notified this proposed tariff change to the WTO.

Taxes

Imports are subject to a variety of fees and charges in addition to tariffs. These include a 15.0 percent VAT, a 2.5 percent Ghana Education Trust Fund Levy, a 2.5 percent National Health Insurance Levy, and a 1.0 percent COVID-19 Health Recovery Levy. In principle, these taxes are chargeable on the value of goods and services produced or provided in Ghana, as well as on imports, but the government has largely not succeeded in exacting the taxes from all local businesses. Separately, as part of Ghana's Automotive Development Policy, Ghana currently exempts domestically assembled automobiles from its 15 percent VAT, although it is applying it to imports of automobiles.

Like all ECOWAS countries, Ghana imposes a 1 percent ECOWAS levy on all goods originating from non-ECOWAS countries to finance the activities of the ECOWAS Commission and Community institutions. Ghana also imposes a 0.2 percent levy on imports from outside African Union (AU) Member States to fund its contribution to the AU.

Other taxes and charges have proliferated in recent years. Under the Ghana Export-Import Bank Act, 2017, Ghana imposes a 0.75 percent levy on all nonpetroleum products imported in commercial quantities.

Effective through 2024, Ghana imposes a special levy of 2 percent on all imports, except for machinery and equipment listed under Chapters 84 and 85 of the Harmonized System and some petroleum products and fertilizers. On October 18, 2024, Ghana's President signed the Ghana Shippers' Authority (GSA) bill, which imposes a new levy of two percent on the gross freight value of shipments by carriers. Section 37 (1) of the Act states that "a carrier operating in the country shall pay a levy of two percent of the gross freight value of a shipment to or from the country to the authority [GSA]."

Non-Tariff Barriers

Import Bans and Import Restrictions

Ghana requires registration certificates for imports of food, cosmetics, pharmaceuticals, and agricultural goods. Since 2014, Ghana has banned the importation of tilapia and has limited the issuance of import permits for corn, poultry, and poultry products, although the government no longer enforces a domestic purchase requirement as a condition for import.

Since 2019, the Ministry of Agriculture has issued and renewed poultry import permits on an *ad hoc* basis, and the issuance and renewal application and approval processes lack transparency, leading to uncertainty for traders.

Under the Customs (Amendment) Act, 2020 (Act 1014), imports of vehicles older than 10 years are prohibited. The implementation continues to be delayed.

Ghana imposed a temporary ban on the importation of excavators to regulate their use in illegal mining, effective May 2019. Import exemptions are granted on an exceptional basis, but the issuance is often delayed.

On November 30, 2023, the Ministry of Trade and Industry proposed a new import permitting system that would cover 24 broad product categories and would potentially affect the trade of hundreds of tariff lines of intermediate and final industrial and agricultural goods (rice, poultry, autos, apparel, and iron and steel, among other goods). The system would essentially limit the number of importers and establish quotas. As of December 31, 2024, Ghana has not notified the WTO Import Licensing Committee of this measure and has not scheduled quotas in its WTO goods schedules for any of the affected goods. As of December 31, 2024, the proposed measure remains pending and has not been formally reintroduced as subsidiary legislation or permanently withdrawn.

Foreign Exchange Restrictions

The temporary withdrawal of foreign exchange support for the importation of goods classified as "non-critical" or "non-essential" announced by the Bank of Ghana in November 2022 affects goods including rice, poultry, vegetable oils, pasta, and fruit juice, as well as ceramic tiles and toothpicks.

Ghana defends its action as part of efforts to ensure the country's foreign exchange reserves while encouraging domestic production and consumption of import substitutes; however, Ghana is unable to meet domestic demand for poultry meat and rice with domestic production. U.S. rice and poultry exports are down significantly since Ghana first implemented its foreign exchange restrictions in 2021. In 2023, U.S. rice exports were significantly lower, under \$400,000, down from \$3.9 million during 2021. In 2023, U.S. poultry meat exports were \$57.2 million, down from \$92.6 million during 2021.

Customs Barriers and Trade Facilitation

Ghanaian customs practices and port infrastructure continue to present major obstacles to trade. Officials have introduced risk management approaches; however, the majority of imports are still subject to inspection on arrival. Anecdotal reports suggest between 60 percent and 80 percent of imports are still subject to physical inspection or scanning, causing delays. This is well beyond Ghana's announced goal of reducing inspections to roughly 10 percent of imports, based on risk, for agricultural products. Importers report erratic application of customs and other import regulations, lengthy clearance procedures, and corruption. The resulting delays can contribute to unnecessary demurrage charges and product deterioration, resulting in significant losses for importers of perishable goods.

The Customs Division of the GRA has taken on the inspection and valuation role once occupied by five licensed destination inspection companies. This has slightly reduced delays, although the high rate of physical inspections noted above remains an impediment. Ghana has launched several initiatives to support online information and processing of trade transactions. Ghana's Single Window, launched in 2020, handles import, export, and transit declaration submissions online.

Although Ghana's Customs Act of 2015 (section 67) indicates that customs valuation should primarily be based on transaction value or the price actually paid or payable for goods imported into the country, in practice, stakeholders indicate that the GRA often applies a benchmark to determine customs valuation for every imported product or uses the higher of the benchmark or the transaction value. The GRA Customs Technical Services Bureau (CTSB) uses a customs valuation database that includes data from customs valuation databases of various tax authorities from other countries. The GRA CTSB subscribes to these data on an annual basis. Data from these entities, together with the GRA's own data, are then used to determine the benchmark values. Although the GRA CTSB's customs valuation may address the concern about under-invoicing goods and under-collecting duties, a system of risk management to assess transaction value trends of imported goods can identify real under-invoicing, without imposing potential inaccurate benchmarking on all goods.

Imported vehicles in Ghana are subject to a customs examination fee of 1 percent. Section 60 of the Customs Act of 2015 indicates that valuation for purposes of the tariff and other duties and charges should be based on the first purchase price, then discounted by fixed amount by age. In practice, to establish the customs value of imported vehicles, the GRA Customs Division uses a system of online vehicle identification number information and age-based value benchmarking for each vehicle. This system tends to overvalue used vehicles, in particular. Imported used vehicles more than 10 years old incur an additional charge ranging from 12.5 percent to 20.0 percent of the cost, insurance, and freight value.

Ghana ratified the WTO Trade Facilitation Agreement (TFA) in January 2017. Ghana has not yet submitted notifications related to import, export, and transit regulations. This notification was due to the WTO on June 22, 2022, according to Ghana's self-designated TFA implementation schedule.

Ghana has not yet notified its customs valuation legislation to the WTO and has not yet responded to the Checklist of Issues that describes how the Customs Valuation Agreement is being implemented.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

High Risk Goods

Ghana classifies some imports as “high risk goods” (HRGs) that must be inspected to ensure they meet Ghanaian or international standards. Since January 2019, the Ghana Standards Authority (GSA) ceded its responsibility of verifying a certificate of analysis or a certificate of conformance at Ghanaian ports to Bureau Veritas and Intertek. Under a process called the EasyPASS Program, either Bureau Veritas or Intertek, after satisfactory verification, issues an EasyPASS Certificate (certificate of conformity), which is used to facilitate customs clearance. While exporters pay fees ranging from 0.35 percent to 0.50 percent of the FOB to Bureau Veritas or Intertek; importers in Ghana are required to register with the GSA and pay an annual registration fee, ranging from \$20 to \$4,000, depending on the type of products they import. Upon arrival of goods at a port in Ghana, the GSA checks the validity of the EasyPASS Certificate before releasing a consignment for clearance.

The GSA classifies these HRGs into 11 broad groups (reduced from 20 in 2019 after ceding the inspection of food, cosmetics, and pharmaceutical and household chemical products to the Ghanaian Food and Drugs Authority (FDA Ghana)), including toys, sports equipment, electrical appliances, and chemical products. Stakeholders have found this classification system vague and confusing. According to GSA officials, they classify these imports as high risk because they pose “potential hazards,” although that phrase remains undefined in law or regulation.

Food Products

FDA Ghana ensures that all food products comply with the GSA General Labelling Rules, which include food expiration and shelf-life dates. Prepackaged foods to be imported for distribution or sale for local consumption must have at least two-thirds of their shelf-life intact at the time of clearance from the port of entry. Goods that do not meet shelf-life requirements are rejected and must be re-exported or destroyed under the supervision of FDA Ghana at the expense of the importer. The United States has asked for clarification regarding the requirement’s legitimate objective.

Automobile Policy and Standards

In December 2019, Ghana also established compulsory vehicle safety and emissions standards for both imported and locally-produced vehicles. Ghana’s standards were modeled broadly on the United Nations Economic Commission for Europe (UNECE) 1958 Agreement automobile standards. The GSA noted in the issued standards that it would accept and publish other applicable standards not listed as an amendment or revision after the establishment of their equivalence to the Ghana standards. Following U.S. advocacy with Ghana, the Ministry of Trade and Industry and the GSA incorporated amendments to include U.S. Federal Motor Vehicle Safety Standards self-certification and documentation from the U.S. Environmental Protection Agency. Effective January 1, 2021, all vehicle importers are required to register with the GSA and present a motor vehicle emissions report, a road worthiness test report from an agency approved by the GSA, and a certificate of conformity. In early 2022, Ghana notified the WTO of a new set of standards, a required vehicle safety inspection upon arrival, and other requirements specifically for used vehicles. As of December 31, 2024, Ghana had not published a list of the accredited bodies and vehicle dealerships for certification to these new requirements.

Sanitary and Phytosanitary Barriers

Ghana prohibits the importation of meat with a fat content by weight greater than 25 percent for beef, 25 percent for pork, 25 percent for mutton, and 15 percent for poultry. The United States continues to engage with Ghana on these import requirements and to urge Ghana to use science- and risk-based approaches to regulate these products.

GOVERNMENT PROCUREMENT

U.S. suppliers of goods and services face difficulties accessing the Ghanaian procurement market. Ghana's procurements are often awarded on a sole-source basis and lack clear timeframes and procedures. Guidelines that apply to current tenders open to international competitive bidding give a margin of preference of 7.5 percent to 20.0 percent to domestic suppliers of goods and services. On July 3, 2020, the Ghanaian Government issued a directive to public institutions to provide preferential treatment for the procurement of locally assembled vehicles. Despite the public procurement law, companies report that locally funded contracts lack full transparency. Foreign government-subsidized financing arrangements appear in some cases to be a crucial factor in the award of government procurements. Allegations of corruption persist in the tender processes across ministries.

Ghana is neither a Party to the WTO Agreement on Government Procurement (GPA) nor an observer to the WTO Committee on Government Procurement.

INTELLECTUAL PROPERTY PROTECTION

Ghana is a member of many intellectual property (IP) treaties. Ghana has taken steps to update its IP laws, including by ratifying the African Regional Intellectual Property Organization (ARIPO) Arusha Protocol for the Protection of New Varieties of Plants in 2023. The Protocol came into force on November 24, 2024. Government officials periodically inspect import shipments and conduct raids on physical markets for counterfeit and pirated goods. However, concerns remain that IP enforcement activity is weak, and unreasonable delays in infringement proceedings discourage right holders from filing new claims in local courts. Small and medium-sized enterprises, including financial technology and payment companies, have expressed frustration with Ghana's IP environment, especially with respect to IP theft. In addition, more public education on IP is needed.

INVESTMENT BARRIERS

Ghana limits foreign participation in several sectors, including telecommunications, banking, fishing, mining, petroleum, and real estate. Foreign investors have expressed concerns about respect for contract sanctity in Ghana, including threats to abrogate contracts, unilateral changes to contract terms, and forced contract renegotiations with the government and its state-owned enterprises. As a result of these contract-related issues, as of December 31, 2024, U.S. companies face several hundred million dollars in payment arrears from the Government of Ghana and government-affiliated entities. These concerns have undermined confidence in Ghana's investment climate.

Mining

Pursuant to the Minerals and Mining Act, 2006, foreign investors are restricted from obtaining a small-scale mining license for mining operations of an area less than or equal to 25 acres (10 hectares). Non-Ghanaians may apply for industrial mineral rights only for projects involving an investment of at least \$10 million.

The Minerals and Mining Act mandates compulsory local participation, through which the government acquires a 10 percent equity stake in ventures at no cost. In order to qualify for a mineral license, a non-Ghanaian company must be registered in Ghana, either as a branch office or a subsidiary incorporated under the Companies Act, 2019, or the Private Partnership Act, 2020.

Oil and Gas

The oil and gas sector is subject to a variety of state ownership and local content requirements. The 2016 Petroleum (Exploration and Production) Act mandates local participation. All entities seeking petroleum exploration and development licenses in Ghana must create a consortium in which the state-owned Ghana National Petroleum Corporation (GNPC) holds a minimum 15 percent participating carried interest and a local Ghanaian firm or individual holds a minimum 5 percent interest. The GNPC has the option to acquire an additional participating interest as determined in the petroleum agreement. The interest of the local Ghanaian firm is not transferable to a foreign company.

The Petroleum Commission issues all licenses, but exploration licenses require additional approval by Parliament. Regulations specify in-country sourcing requirements with respect to goods, services, hiring, and training associated with petroleum operations—standards that many international companies describe as unattainable. These regulations also require mandatory local equity participation for all suppliers and contractors. The Minister of Energy must approve all contracts, subcontracts, and purchase orders above \$100,000 and has the authority to alter the requirements set by law for any specific contract. The criteria for the Minister’s approval of local equity partners in commercial transactions remain unclear, which raises concerns of potential corruption and favoritism in the selection of local equity partners in government-approved concessions or contracts. Noncompliance with these regulations may result in a criminal penalty, including imprisonment for up to five years.

The Petroleum Commission applies registration fees and annual renewal fees on foreign oil and gas service providers, which, depending on a company’s annual revenue, range from \$70,000 to \$150,000, compared to fees of \$5,000 to \$30,000 for local companies.

OTHER BARRIERS

Ghana Shippers’ Authority Law

Parliament passed the Ghana Shippers’ Authority (GSA) bill on July 29, 2024 and was signed by the President on October 18, 2024. The bill gives the Minister of Transport the power to regulate local participation in the provision of shipping services in the country, among other powers. Additionally, the bill requires the GSA to approve shipping service provider fees.

Export Ban

Since 2013, Ghana has banned the exportation of ferrous scrap metals.

GUATEMALA

TRADE AGREEMENTS

Dominican Republic–Central America–United States Free Trade Agreement

The Dominican Republic–Central America–United States Free Trade Agreement (CAFTA–DR) entered into force for the United States and El Salvador on March 1, 2006, for Honduras and Nicaragua on April 1, 2006, for Guatemala on July 1, 2006, for the Dominican Republic on March 1, 2007, and for Costa Rica on January 1, 2009. The United States and the other CAFTA–DR countries meet regularly to review the implementation and functioning of the Agreement and to address outstanding issues.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

As a member of the Central American Common Market, Guatemala applies a harmonized external tariff on most items at a maximum of 15 percent, with some exceptions. However, under the CAFTA–DR, as of January 1, 2015, U.S. non-agricultural goods enter Guatemala duty free.

In addition, nearly all U.S. agricultural exports enter Guatemala duty free under the CAFTA–DR. Guatemala eliminated its tariffs on rice on January 1, 2023 and eliminated tariffs on dairy products on January 1, 2025. For certain agricultural products, tariff-rate quotas (TRQs) permit duty-free access for specified quantities during a tariff phaseout period, with the duty-free quantities expanding during that period. Guatemala will liberalize trade in white corn through continual expansion of a TRQ, rather than the reduction of the out-of-quota tariff. Guatemala is required under the CAFTA–DR to make TRQs available on January 1 of each year. Guatemala monitors its TRQs through an import licensing system, which the United States carefully tracks to ensure the timely issuance of these permits.

Taxes

Guatemalan tax law requires that some companies that purchase goods and services from other companies withhold 15 percent of the value-added tax (VAT) paid and seek refunds for the VAT credit that they cannot offset after two years. This process is onerous and timely refunds are not guaranteed.

Non-Tariff Barriers

Customs Barriers and Trade Facilitation

U.S. companies have raised concerns that Guatemala’s Tax Authority (SAT) uses an inaccurate reference price database to determine the value of imported goods, erroneously applies database values as minimums rather than as a reference, and compares imports to dissimilar products in the database. Furthermore, when SAT performs investigations of declared values, the review process often results in the detention of the imported product for 20 days or more. Appeals involve a lengthy, opaque process that has lasted up to four years in some cases. In 2022, the U.S. Government engaged with the Guatemalan Government to help introduce an automated system to provide more transparency and help clear shipments more quickly on bond.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Guatemala requires product registration for food products (e.g., dairy products) from every importer, as well as for animal feed and pet food. Importers are required to submit necessary documents to the Ministry of Public Health and Social Assistance and receive approval before products are sold into the market, even if another importer has already registered that product. Stakeholders have raised concerns that the process is burdensome and can delay the importation process by months.

Sanitary and Phytosanitary Barriers

In response to a U.S. Government request for more transparent quarantine protocols at ports, in 2021 the Ministry of Agriculture, Livestock and Food (MAGA) published Ministerial Decree 57-2021, which establishes official quarantine protocols for plant and animal health. In addition, in response to industry complaints that quarantine inspections break the cold chain, the Intraregional Organization for Plant and Animal Health (OIRSA), to which the MAGA delegates quarantine inspection and fumigation services, now also conducts inspections within refrigerated spaces at Quetzal Port. OIRSA also authorized construction of a cold room within Santo Tomas Port, which became operational in 2023. OIRSA's continued inspection of all imported fresh produce causes delays, and the U.S. Department of Agriculture has asked the MAGA to establish a risk-based inspection system.

Guatemala approved a science-based agricultural biotechnology regulation for genetically engineered plants in 2019, harmonizing its regulation with Honduras and El Salvador under the Central American Integration System. Companies started submitting requests in 2021, with two approvals granted in that same year. However, since March 2022, the MAGA has refused to receive or process any further applications, despite repeated requests from the U.S. Department of Agriculture, the Office of the United States Trade Representative, and Guatemalan industries to resume the authorization process.

GOVERNMENT PROCUREMENT

Government institutions have been required to use the electronic government procurement system, GUATECOMPRAS, to track Guatemalan Government procurement processes since March 2004. Although GUATECOMPRAS initially improved the efficiency and transparency of government tendering processes, U.S. suppliers have expressed reluctance to bid on Guatemalan public procurement tenders because of corruption in procurement. In addition, foreign suppliers must appoint a national representative to represent the interest of the company in Guatemala.

Guatemala is neither a Party to the WTO Agreement on Government Procurement nor an observer to the WTO Committee on Government Procurement. Guatemala has binding international procurement obligations under the CAFTA-DR.

INTELLECTUAL PROPERTY PROTECTION

Guatemala remained on the Watch List in the [2024 Special 301 Report](#). Although the country generally has a strong legal framework, concerns remain. IP enforcement activities remain limited and appear inadequate in relation to the scope of the problem due to resource constraints and poor coordination among law enforcement agencies. The production of counterfeit apparel with little interference or deterrence from

law enforcement continues to be a significant concern. Other concerns include the sale of counterfeit pharmaceuticals and government use of unlicensed software. Major cable television providers and content distributors agreed in 2018 not to renew contracts to rebroadcast U.S. network signals due to signal piracy of U.S. broadcasted networks. However, cable signal piracy remains a problem, and online piracy through Internet Protocol Television services is also a concern. The United States continues to urge Guatemala to ensure that its IP enforcement agencies receive sufficient resources and to strengthen enforcement, including with respect to criminal prosecution, administrative and border actions, and intergovernmental coordination to address widespread copyright piracy and commercial-scale sales of counterfeit goods. The United States will continue to engage Guatemala on these and other concerns, including through the Special 301 process, and will continue to monitor Guatemala's implementation of its IP obligations under the CAFTA–DR.

SERVICES BARRIERS

Professional Services

Foreign enterprises may provide licensed professional services in Guatemala only through a contract or other relationship with an enterprise established in Guatemala. Additionally, public notaries must be Guatemalan nationals.

INVESTMENT BARRIERS

A number of U.S. companies operating in Guatemala complain that complex and unclear laws and regulations and inconsistent judicial decisions effectively operate as barriers to investment.

LABOR

The U.S. labor enforcement case brought against Guatemala under Article 16.2.1(a) of the CAFTA–DR was formally concluded in 2017 with the issuance of the panel's final report. Nevertheless, labor concerns—including with respect to the right of association, the right to organize and bargain collectively, and acceptable conditions of work—persist in the port, agriculture, apparel, and agricultural processing sectors and the U.S. Government continues to engage Guatemala.

OTHER BARRIERS

Bribery and Corruption

The CAFTA–DR contains public sector anti-bribery commitments and anticorruption measures in government contracting, designed to ensure that U.S. firms are guaranteed a fair and transparent process to sell goods and services to a wide range of government entities.

U.S. stakeholders have expressed concerns that corruption in Guatemala constrains investment. For instance, the Ministry of Governance in Guatemala, which is responsible for security at ports, airports, and land borders in Guatemala, operates two security units known as DIPAFRONT (Division of Ports, Airports, and Border Posts) and SGAIA (General Subdirectorate of Narcotics Analysis and Information) that have responsibility for secondary inspections at ports if security-related issues are suspected. A separate United Nations program, the UCC (Container Control Unit) also operates security-related programs. These units operate independently from the other operating authorities at ports, such as the MAGA and Guatemala's Customs authority, which have memoranda of understanding to carry out joint inspections. In response to a U.S. Coast Guard requirement, Guatemalan exports to the United States must pass inspection by at least

one of the three security-related units (DIPAFRONT, SGAIA, or UCC). The Government of Guatemala also subjects imports to inspections by these authorities; however, importers have expressed concern that inspectors are afforded unchecked discretion as to which shipments they inspect, and inspections are not integrated into existing inspection processes, resulting in additional delays at already busy ports. Because DIPAFRONT, SGAIA, and UCC have their own independent inspection ramps, importers report corruption at multiple steps to avoid shipments being sent through a secondary ramp.

GULF COOPERATION COUNCIL

The Gulf Cooperation Council (GCC) comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates (UAE).

TRADE AGREEMENTS

The United States–Bahrain Free Trade Agreement

The United States–Bahrain Free Trade Agreement (FTA) entered into force on August 1, 2006. Under the FTA, as of January 1, 2015, Bahrain provides duty-free access to all U.S. exports.

The United States–Kuwait Trade and Investment Framework Agreement

The United States and Kuwait signed a Trade and Investment Framework Agreement (TIFA) in 2004. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Kuwait.

The United States–Oman Free Trade Agreement

The United States–Oman FTA entered into force on January 1, 2009. Under this Agreement, as of January 1, 2019, Oman provides duty-free access to all U.S. exports.

The United States–Qatar Trade and Investment Framework Agreement

The United States and Qatar signed a TIFA in March 2004. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Qatar.

The United States–Saudi Arabia Trade and Investment Framework Agreement

The United States and Saudi Arabia signed a TIFA in July 2003. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Saudi Arabia.

The United States–United Arab Emirates Trade and Investment Framework Agreement

The United States and the UAE signed a TIFA in March 2004. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and the UAE.

The United States– Gulf Cooperation Council Trade and Investment Framework Agreement

The United States and the GCC as a group signed a TIFA in September 2012. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and the GCC.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

GCC Member States apply an *ad valorem* Common External Tariff (CET) of five percent on the value of most imported products, with several commodity-specific exceptions.

Kuwait's exceptions include 417 basic foodstuffs, agricultural, medical, and pharmaceutical items that are exempt from customs duties.

Qatar's exceptions include more than 800 goods, including certain food staples, some pharmaceuticals, and specific machine parts. Pork, tobacco, and alcohol are subject to a 100 percent tariff. Urea and ammonia are subject to a 30 percent tariff, steel and iron to a 20 percent tariff, and musical instruments to a 15 percent tariff.

Saudi Arabia's applied tariff rates range from 6.5 percent to 40.0 percent on goods that compete with domestic industries. In June 2022, Saudi Arabia's Zakat, Tax, and Customs Authority increased customs duties on 99 products, primarily foodstuffs, beverages, and industrial and agricultural products. The increased tariff rates range from 5.5 percent to 25.0 percent. Since July 2021, preferential market access under the GCC tariff agreements no longer applies to goods made in free trade zones or using Israeli inputs.

The UAE's exceptions include 811 items that are exempt from customs duties, including imports by philanthropic societies and the diplomatic corps, military goods, personal goods, used household items, gifts, and returned goods.

Taxes

In 2016, GCC Member States agreed to introduce common GCC excise taxes on products including carbonated drinks (50 percent). U.S. beverage producers report that the excise tax structure for carbonated drinks, which also applies to sugar-free carbonated beverages but exempts GCC manufactured sugary juices, disadvantages U.S. products, and fails to address public health concerns.

Kuwait introduced legislation to implement the common GCC excise taxes in the National Assembly in 2018. It remained under debate until the Amir suspended the National Assembly on May 10, 2024, for up to four years.

Oman implemented the common GCC excise taxes, as well as a 100 percent tax on pork and tobacco products in 2019.

Qatar implemented the common GCC excise taxes in January 2019.

The UAE implemented the common GCC excise taxes in October 2017.

U.S. industry continues to seek reimbursement for claims related to the UAE's value-added tax (VAT) on goods and services dating back to January 2019. U.S. defense contractors are exempt from the five percent VAT on goods and services provided to the U.S. military in the UAE, as stipulated in the bilateral Defense Cooperation Agreement. The UAE has stated it will provide a one-time retroactive reimbursement once all U.S. defense contractors have provided their comprehensive updates to the UAE Federal Tax Authority.

database. Per the Federal Tax Authority database, all future reimbursements will be made quarterly according to a bilaterally approved list that will be updated annually.

Non-Tariff Barriers

Import Bans and Restrictions

Kuwait prohibits the importation of a range of goods, including used medical equipment, automobiles more than ten years old, and products containing alcohol or pork.

In 2023, Oman banned the import of single use plastic bags. Media imports to Oman are subject to government censorship for morally or politically sensitive material. The Ministry of Information delays or bars publications of content it deems morally suspect or politically sensitive.

Saudi Arabia prohibits the importation of 37 categories of products, including alcohol and pork products.

The UAE bans the importation of controlled, recreational drugs and narcotic substances; items used in black magic, witchcraft or sorcery; publications and artwork that contradict or challenge Islamic teachings and values; and gambling tools and machines. In June 2024, the UAE Government clarified that importing gambling tools and machines would be allowed via licensed vendors; however, as of December 31, 2024, new regulations had not yet been released to reflect this update despite the issuance of the first commercial gaming license in October 2024.

Import Licensing

Kuwait maintains an import licensing regime for a wide variety of products. Importers of products subject to import licensing must be citizens of Kuwait or be Kuwait-based brokers and are required to register with the Ministry of Commerce and Industry.

In Oman, importers of food and agricultural commodities are required to obtain an import permit prior to shipping the product from the country of origin. Companies must obtain a special license for the importation of certain products, including alcohol, livestock, and poultry. The process of obtaining a license can be complicated, significantly adding to the time it takes to import goods.

Qatar requires an import license for the importation of most products, mainly livestock, plants, and fish products that fall under the jurisdiction of Ministry of Municipality. The Qatari Government issues import licenses to Qatari citizens, Qatari partners in limited liability companies, and to foreign-owned entities operating in Qatar that are registered with the Ministry of Commerce and Industry. Only authorized local agents of foreign firms are allowed to import goods produced by the firms they represent. In the telecommunications sector, commercially registered companies in Qatar can import telecommunications equipment by obtaining an Import Authorization License from the Communications Regulatory Authority. The Qatar Distribution Company, a subsidiary of the national air carrier Qatar Airways, has sole authority to import pork and alcohol.

Saudi Arabia requires special approval for the importation of 23 categories of restricted products, including agricultural seeds and wireless communications equipment.

In the UAE, only UAE-registered companies can obtain licenses to import goods. This licensing requirement does not apply to goods imported into free trade zones. Importation of certain goods for personal consumption also does not require an import license.

Import Documentation Requirements

In order to clear goods from customs zones at air and seaports in Qatar, importers must submit a detailed customs declaration, a bill of lading, a certificate of origin, a *pro forma* invoice, and an import license. The Qatari Embassy, a Qatari consulate, or the Qatari Chamber of Commerce in the United States must authenticate import documentation for U.S.-origin imports. This consularization process, or authentication requirement, is the kind of unnecessary burden that the United States seeks to eliminate. Qatar's customs authority charges a fine of one percent on the shipment value if the invoice is not legalized by the Qatari Chamber of Commerce in the country of origin of the exported products. Imported agricultural products require different certificates depending on the category of the product. Meat, fish, eggs, livestock, live poultry, grains, animal feed, and planting seeds require an original health certificate. All processed or shelf-stable foods exported from the United States to Qatar require a U.S. Food and Drug Administration (FDA) Certificate to a Foreign Government. Industry representatives have also complained about the limited transparency of changes to Qatar's customs procedures, particularly the lag in Arabic to English translation of updated regulations.

The UAE requires that documentation for all non-agricultural products imported from the United States be authenticated by the Embassy of the UAE in the United States, including delivery orders from the shipping or line agents, original supplier commercial invoices, certificates of origin, and packing lists. Stakeholders report that this "consularization" requirement is burdensome and costly.

Customs Barriers and Trade Facilitation

Companies importing U.S. goods into Oman occasionally report difficulties in demonstrating eligibility for preferential tariff treatment under the FTA for goods that enter Oman over land via the UAE. The Royal Oman Police Customs Directorate inconsistently applies requirements for origin marking, segregation of FTA cargo, and other documentation.

Kuwait notified its customs valuation legislation to the World Trade Organization (WTO) in December 2017, but has not yet responded to the WTO Checklist of Issues describing how the Customs Valuation Agreement is being implemented.

Kuwait ratified the WTO Trade Facilitation Agreement (TFA) in April 2018. Kuwait has not yet submitted four transparency notifications related to: (1) import, export, and transit regulations; (2) the use of customs brokers; (3) customs contact points for the exchange of information; and (4) details on the operation of the single window. The first two notifications were due to the WTO on February 22, 2017, and the remaining two notifications were due to the WTO on June 30, 2022, according to Kuwait's self-designated TFA implementation schedule.

Qatar ratified the WTO TFA in June 2017. On October 17, 2024, Qatar submitted the transparency notifications required by the TFA related to: (1) import, export, and transit regulations; (2) details on the operation of the single window; (3) the use of customs brokers; and (4) customs contact points for the exchange of information. These notifications were due to the WTO on February 22, 2017, according to Qatar's self-designated TFA implementation schedule.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Kuwait requires a health certificate from the country of origin for imported food, cosmetics, and pharmaceuticals that is certified by the Kuwaiti Public Authority for Food and Nutrition or the Ministry of Health. Kuwait rejects food shipments with certificate of free sale issued by U.S. states unless they contain a statement that the product is “fit for human consumption.”

Over the years, Saudi Arabia has revised technical regulations for a variety of products to reflect a preference for standards developed by the International Organization for Standardization and the International Electrotechnical Commission. Saudi Arabia has been increasingly reluctant to accept other international standards that may meet or exceed Saudi Arabia’s regulatory objectives, including those developed by U.S.-domiciled organizations through open, transparent, and consensus-based processes. Saudi Arabia’s refusal to accept these other international standards, which are often used by U.S. manufacturers, creates significant market access restrictions for certain industrial and consumer products exported from the United States, including protective footwear, automobiles, electrical equipment, and appliances.

The United States continues to encourage Saudi Arabia to develop and implement effective mechanisms for stakeholder consultation in regulatory decision-making to help ensure that interested parties have opportunities to provide comments on draft regulations and to provide reasonable time for those comments to be considered. U.S. manufacturers have noted the importance of such consultations as Saudi Arabia develops and implements Corporate Average Fuel Economy (CAFE) regulations, as well as new energy efficiency regulations for a variety of consumer and industrial products, including air conditioners, electrical appliances, lighting, electrical motors, energy usage intensity, tires, and insulation.

Automobiles

U.S. automakers have raised concerns over growing regulatory fragmentation in the GCC. While the Gulf Standardization Organization (GSO) is supposed to set standards for the entire GCC market, individual GCC Member States have instituted unique standards for automobiles that deviate from GCC automobile standards. The United States monitors this issue across GCC Member States.

While Saudi Arabia has historically accepted automobiles built to conform to either U.S. Federal Motor Vehicle Safety Standards or United Nations Economic Commission for Europe (UNECE) 1958 Agreement regulations, Saudi Arabia has taken steps toward solely adopting UNECE regulations. For example, Saudi Arabia adopted a UNECE low rolling resistance tire regulation that effectively excludes tires needed for certain U.S. sport utility vehicles (SUVs) and pickup trucks sold in the Middle East. Saudi Arabia’s new electric vehicle certification likewise is based only on UNECE regulations.

U.S. automakers have raised concerns that potential changes to GSO automobile safety standards could result in GCC Member States solely adopting UNECE regulations which may ultimately lead to reduced sales of certain vehicle types in the GCC, the world’s third largest export market for U.S. automakers.

While Saudi Arabia has largely adopted U.S. CAFE standards, the country’s draft CAFE regulation does not contain certain flexibilities used in the U.S. program, which may ultimately lead to reduced sales of certain vehicle types in Saudi Arabia, one of the largest export markets for U.S. automakers.

U.S. automakers also raised concerns about implementation challenges of the UAE Emergency Call (eCall) and Digital Audio Broadcasting (DAB+) requirements. The UAE requires full integration of DAB+ radio, an expensive feature, but the UAE does not have any active DAB+ broadcast stations. The UAE also has its own electric vehicle regulations, including new local certification requirements, which are not consistent with regulations developed by the GSO.

Conformity Assessment Procedures on Hazardous Substances – Electrical Goods

In March 2018, GCC Member States notified the WTO of a draft GSO technical regulation that would establish the rules for the conformity assessment of certain hazardous substances in electrical goods. The measure deviates significantly from common international practice, which typically requires a supplier's declaration of conformity, by requiring pre-market third-party conformity assessment, and certification from a list of approved accredited bodies. The draft regulation also requires each type of good to be registered annually with the GSO. The United States raised concerns that the proposed GCC regulatory requirements establish procedural requirements that are far more burdensome and costly than other markets regulating the same goods and may dissuade U.S. producers of these products from exporting to the region. The draft regulation has not yet entered into force, and does not make clear whether all of the GCC Member States would accept a single test result or how the measure would be transposed and applied across all Member States.

Saudi Arabia notified to the WTO its draft Technical Regulation for the Restriction of Hazardous Substances (RoHS) in December 2020, and subsequently published a revised version in the Official Gazette in July 2021. The regulation took effect for small household electrical items on July 4, 2022; implementation for other covered products will follow at scheduled intervals. A revised version of the regulation, published on July 29, 2022, offered additional flexibilities but does not fully address concerns outlined in detailed comments from the U.S. Government and U.S. industry, or similar comments from other trading partners and global industry.

In 2023, the United States sought additional information from Saudi Arabia regarding the precise scope of the regulation, guidance on the process for testing whole equipment and critical components of a product, and clarity on the requirement for suppliers to attach information that may include confidential business information as a part of their technical file of supporting documentation. Subsequent guidance issued for the regulation has provided some flexibility in the ability of producers to satisfy certification requirements by submitting a supplier's declaration of conformity (SDoC), though it remains unclear whether these flexibilities will be afforded to all importers or only to manufacturers and their legal representatives.

Conformity Assessment and Marking Requirements

The Emirates Conformity Assessment Scheme (ECAS) monitors industry compliance with UAE standards for goods to be sold in the country. The ECAS, initially notified to the WTO in 2004, applies to items such as textiles, building materials, energy drinks, dairy, juice, honey, and organic products. In addition, obtaining the Emirates Quality Mark (EQM) is mandatory for bottled drinking water, natural mineral water, and ice for human consumption. The application of ECAS and EQM to these items duplicates the regulatory system overseen by the Ministry of Climate Change and Environment

In 2018, Saudi Arabia implemented the Saudi Product Safety Program and launched an online certification and conformity assessment process (Saber) for all imported goods entering Saudi Arabia. Saber covers both regulated and unregulated products. Importers of regulated products must use Saber to initiate a certification request. If the product receives a Product Certificate of Conformity (PCoC), the importer is then issued a Shipment Certificate of Conformity (SCoC). Products requiring PCoCs include, but are not limited to: detergents, building materials, paints, vehicle spare parts, lubricant oils, toys, and textiles. For

unregulated products, the importer must use Saber to self-declare whether the product meets a voluntary standard and that the good can be imported into the Saudi market. Following this self-declaration, the importer will be issued a Requester Declaration (S-DoC). An increasing number of U.S. companies have expressed concerns with the new Saber platform, including undue delays, and inconsistencies in product testing fees and clearance processes. The United States has also asked for clarification from Saudi Arabia on how the program relates to GCC conformity assessment requirements.

Halal Regulations

In 2020, GCC Member States notified the WTO of a draft GSO technical regulation establishing halal requirements and certification for animal feed. The U.S. animal feed, beef, and poultry industries have raised concerns that the technical regulation places additional requirements on U.S. suppliers without offering additional assurance of compliance. The United States has raised concerns with GCC Member States, noting the unprecedented and potentially trade restrictive nature of the measure. Each GCC Member State implements halal measures differently.

In 2024, Kuwait's Public Authority for Food and Nutrition updated the requirements for halal certifiers eligible to certify products for export to Kuwait. A halal certifier can be listed on Kuwait's approved list of certifiers if the certifier received approval from either the Gulf Accreditation Center plus one GCC country or from at least two GCC countries. Previously, halal certifiers only needed an approval from at least one GCC country. The new requirements resulted in the delisting of some U.S. halal certifiers. The certificate also must be endorsed by a Kuwaiti Embassy or Consulate.

In October 2022, Qatar expanded application of its halal certification requirement to animal feed, slaughterhouses, handling, packaging, storing, and food additives. A halal certificate from an approved halal certifier is required for any product of animal origin, or its ingredients, imported from non-Islamic countries. This includes products such as gelatin and food additives of animal origin like lecithin and emulsifier (E471, e472) or a product containing rennet, an animal-derived enzyme. It is also advised to avoid using words or expressions that may give the impression that a food product or some of its ingredients are not halal; a list of these common words is available online.

Saudi Arabia suspended imports of U.S. poultry in June 2018 after enforcing halal regulations that ban stunning of poultry prior to slaughter. In 2019, several other trading partners with similar production practices resumed exports to Saudi Arabia, while imports from the United States remain prohibited. U.S. officials informed Saudi Food and Drug Authority (SFDA) officials that the U.S. production system and government regulations ensured that poultry is alive prior to the slaughter process and explained how the stunning process immobilizes birds to ensure that the slaughtering process is humane and effective. Saudi Arabia also maintains halal feed restrictions for imports of meat products from the United States, including a ban on animal protein in cattle feed and restrictions on the feeding of beef tallow to cattle, which limit U.S. beef exports to Saudi Arabia.

On September 4, 2024, SFDA's Halal Center, which handles halal certification and accreditation, informed global halal certifying bodies that, effective October 1, 2024, no imports of halal-certified products would be allowed into Saudi Arabia without a new SFDA-issued halal certificate. The certificate can be obtained on a web-based halal portal through the registration of facilities and products by approved halal certifying bodies. Saudi Arabia has not notified this measure to the WTO. Representatives from SFDA's Halal Center have met with the U.S. officials and industry representatives regarding concerns about technical difficulties using the registration system. At least one U.S. Halal certification body has reported progress in registering its clients in the system.

In November 2022, the UAE updated halal slaughtering requirements to allow for poultry stunning that does not directly result in death of the animal.

The UAE has declined to renew accreditation for several U.S. halal certifying bodies, despite these certifiers having undergone successful onsite audits as part of their accreditation process in 2024. In separate meetings with these halal certifying bodies and U.S. Government officials, UAE officials have cited “administrative reasons” for not renewing their accreditation without providing additional clarity or information on their actions.

Energy Drinks

In January 2016, GCC Member States notified to the WTO a draft GSO technical regulation for energy drinks, which was revised in March 2022. The U.S. Government and private sector stakeholders raised concerns through bilateral and multilateral fora regarding the draft regulation. Industry stakeholders still report that caffeine-content limitations unduly target energy drinks in GCC Member States. In many cases, such limitations do not apply to other drink products that contain similar or even higher levels of caffeine, such as tea, brewed coffee and other ready-to-drink coffee products.

In September 2021, Bahrain began to implement Executive Regulations for the Public Health Law on Energy Drinks. These regulations prohibit the sale of energy drinks in restaurants, cafeterias, educational facilities, and health facilities and require prior licensing in order to advertise such products through any form of media.

Dairy Regulations

In June 2019, Qatar’s Ministry of Public Health released a Council of Ministers’ circular on both imported and domestically-produced dairy products that implement limited shelf-life requirements on long-life milk and white cheeses. Qatar did not notify the WTO of this regulation prior to implementation. The U.S. Government pressed Qatar on concerning aspects of its regulation in bilateral discussions and at meetings of the WTO Committee on Technical Barriers to Trade. In August 2021 and May 2022, the Ministry issued further updates to the June 2019 regulation that expanded its scope, increasing the concerns of the U.S. dairy industry. Qatar again failed to notify the WTO of the new regulation prior to its implementation. The U.S. Government and private sector stakeholders continue to raise concerns with Qatar on this regulation, including the transparency of its implementation and the food safety and food quality rationale of the measure.

Food Registration

Qatar’s Ministry of Public Health requires food commodities that fall under its jurisdiction to be registered through the online Watheq system in order to confirm that the products comply with Qatar’s food standards and regulations.

Sanitary and Phytosanitary Barriers

Kuwait does not use a risk management system for clearing food shipments for import, instead requiring customs authorities to inspect every food shipment before being cleared for entry into Kuwait. This process can add several days to the delivery time, reduce the longevity of the food, and increase costs. Kuwait has not notified the WTO of Ministerial Decree 6/2023, issued in May 2023, updating regulations for imported food, despite the United States and other trading partners officially requesting that the Kuwaiti Government notify the WTO, delay the implementation date, and allow WTO members to submit comments.

Agricultural stakeholders have raised concerns regarding Oman's import requirements involving certification for pesticide residues as well as radiation attestations for agricultural products. The companies assert that these regulations provide restrictive controls that do not necessarily further the goal of protecting human and animal health.

Zoning and Compartmentalization

The World Organization for Animal Health (WOAH) standards on zoning and compartmentalization provide recommendations for safe international trade between countries. Despite following WOAH guidelines for zoning or compartmentalization in most cases, Saudi Arabia does not recognize the existence of United States zones or compartments in the event that highly pathogenic avian influenza occurs within the United States. The United States continues to press Saudi Arabia to act consistently with WOAH guidelines.

Maximum Residue Limits Approximation

Saudi Arabia generally follows the Codex Alimentarius Commission (Codex) for maximum residue limits (MRL) for pesticides applicable to grains and horticultural products. However, in the absence of a Codex MRL limit, Saudi Arabia applies MRLs based on EU regulations that are not necessarily based on science-based decision-making and, as a result, could impede U.S. trade.

Facility Listing Requirements

In 2021, Saudi Arabia notified the WTO of new requirements related to pre-export approval for multiple products, including animal and dairy products, grains, and processed vegetables. Saudi Arabia implemented the requirements for honey and seafood products in November 2021; the U.S. and Saudi Governments continue to engage on requirements for seafood products.

Saudi Arabia's pre-export approval process requires attestation by the competent authorities in the exporting country that the product meets the requirements in Saudi regulations, as well as an audit of facilities. Firms or relevant government agencies in the exporting country are required to pay related travel expenses for the audits. As U.S. competent authorities lack the legal authority to attest to compliance with foreign government regulations, U.S. Government agencies continue to work with SFDA to confirm that specific U.S. facilities meet the requirements of the 2021 regulation.

Agricultural Biotechnology

In May 2020, the UAE issued Federal Law No. 9 regarding the biosafety of agricultural biotechnology products. The law prohibits the import, export, re-export, transit, production, and circulation of any agricultural products with biotechnology content of equal to or higher than 0.9 percent. For agricultural products with biotechnology content less than this threshold, a permit is required. UAE Resolution No. 84 of 2022 regarding the executive bylaws for Federal Law No. 9 of 2020 regarding the biological safety of genetically engineered commodities and their products places several restrictions, requirements, and specifications for the import, transport, circulation, and re-export of such products.

Certification

In 2021, Saudi Arabia began implementation of new regulations that require trading partners to adopt model certificates. The United States has requested Saudi authorities to accept comparable certifications currently issued by the U.S. competent authorities but as of December 31, 2024, they had not yet done so.

Titanium Dioxide

In May 2022, GCC Member States notified to the WTO an amendment to the GSO technical regulations on Additives Permitted for Use in Foodstuffs that bans the use of titanium dioxide as a food additive, in line with EU food additive regulations. Titanium dioxide is an adopted food additive that is included in the Codex General Standard for Food Additives (GSFA). As such, it may be used in specified foods under the conditions of good manufacturing practices as outlined in the Codex GSFA. The FDA continues to allow for the safe use of titanium dioxide as a color additive in foods, subject to certain restrictions, including that the quantity of titanium dioxide does not exceed one percent in weight of the food. In November 2023, the Joint FAO/WHO Expert Committee on Food Additives (JECFA), administered jointly by the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO), confirmed a reevaluation of titanium dioxide and concluded that there is no safety concern or risk associated with the use of the substance as a food additive. The United States has requested that the GCC Member States allow the use of titanium dioxide based on Codex, justified by science and consistent with the recent JECFA conclusion.

In July 2023, Oman banned the production, import, and marketing of food products that contain titanium dioxide and established a fine of \$2,600 for violations. The fine is doubled in the event of a repeat offense.

GOVERNMENT PROCUREMENT

The United States–Bahrain FTA contains disciplines on government procurement. Some U.S. companies report that they have faced prolonged issues with the tendering process related to GCC-funded projects.

Bahrain is not a Party to the WTO Agreement on Government Procurement (GPA), but has been an observer to the WTO Committee on Government Procurement since December 2008.

Kuwait's Public Tenders Law No. 49 of 2016 regulates government procurement and requires that any procurement with a value greater than KD 75,000 (approximately \$250,000) be conducted through the Central Agency for Public Tenders. Certain contracts from the Kuwait Petroleum Corporation that exceed KD 5 million (approximately \$16.6 million) are exempt. Ministries of Interior and Defense, National Guard, and core (*i.e.*, drilling and extraction) Kuwait Petroleum Corporation contracts are also exempted. Kuwait provides a 15 percent price preference for domestic and GCC goods, and requires foreign contractors to purchase at least 30 percent of their inputs domestically and to subcontract at least 30 percent of the work to domestic contractors where available.

Kuwait is neither a Party to the WTO Agreement on Government Procurement (GPA) nor an observer to the WTO Committee on Government Procurement.

The United States–Oman FTA contains disciplines on government procurement. Oman provides a 10 percent price preference to tenders that contain a high content of local goods or services, including direct employment of Omani nationals, as per its in-country value requirements. However, Oman may not apply such price preferences to bids offering goods and services from the United States in procurements covered by the United States–Oman FTA.

For most major tenders, Oman invites bids from international firms or firms pre-selected by project consultants, but stakeholders report that in recent years Oman has favored local community contractors and Omani small and medium-sized enterprises (SMEs). Suppliers are requested to be physically present at the opening of tenders and interested persons may view the process on Oman's Tender Board website. Some

U.S. companies report that award decisions are delayed, sometimes for years, or that the tendering is reopened with modified specifications and short deadlines.

Oman is not a Party to the WTO Agreement on Government Procurement (GPA), but has been an observer to the WTO Committee on Government Procurement since May 2001.

Qatar's Cabinet Decision 16/2019 stipulates that non-Qatari companies participating in tenders must utilize local goods and services equivalent to at least 30 percent of a tender's value, including local raw materials, locally-manufactured goods, transportation services, security, guarding and catering services, or any other local services provided. Cabinet Decision 11/2022 additionally favors local SMEs, by exempting them from providing bonds when bidding for government tenders, incentivizing greater support for the local economy, and encouraging government clients to consider bidders' in-country value ratios when evaluating bid prices. Participation in government tenders with a value of QAR 5,000,000 or less (equivalent to approximately \$1.38 million) is limited to local SME contractors, suppliers, and merchants registered with the Qatar Chamber of Commerce.

Qatar is neither a Party to the WTO Agreement on Government Procurement (GPA) nor an observer to the WTO Committee on Government Procurement.

Saudi Arabia requires foreign contractors to subcontract 30 percent of the value of any government procurement, including support services, to firms that are majority-owned by Saudi nationals. An exemption is granted when no Saudi-owned company can provide the goods or services necessary to fulfill the requirements of a tender. The Saudi Government is in the process of reforming its procurement processes and policies. In addition to offsets, the Saudi Government promotes purchases of goods and services in Saudi Arabia and increasing the percentage of Saudi nationals employed by foreign firms—a policy known as “Saudization.” The Saudi Government currently requires offsets in investments of up to 40 percent of a program's value for defense procurement, depending on the value of the contract. Saudi Arabia provides a 10 percent price preference for GCC goods used in procurements in which foreign suppliers participate.

Saudi Arabia revised its Government Tenders and Procurement Law in April 2020. The law regulates the contractual relationship between a public or government entity and contractors. U.S. companies have reported that the procurement systems lack transparency. In 2018, the Ministry of Finance launched the Electronic Government Procurement System (Etimad Portal) to consolidate and facilitate the procurement process for the public sector. The General Authority for Military Industries manages Saudi Arabia's armaments procurement activities.

U.S. companies have reported long delays and difficulties in Saudi Arabia in receiving payments for procurement contracts with national and regional government entities, with some delays lasting more than two years. Since late 2020, Saudi Arabia has prioritized timelier payments to contractors and uses the Etimad Portal to facilitate payments. U.S. companies continue to report significant payment delays in 2024, but report that the overall amounts owed to them are less than prior to the reform.

In November 2022, Saudi Arabia announced its Economic Participation Policy, which requires foreign companies participating in local tenders above SAR100 million (approximately \$26.3 million) to demonstrate an economic contribution to the Kingdom of at least 35 percent of the tender's total value.

Since January 1, 2024 all international companies must establish a regional headquarters (RHQ) in Saudi Arabia or be barred from bidding on government contracts. Companies bidding on contracts with a cumulative annual value of less than \$266,000 are exempt from this requirement. Key concerns for U.S. companies regarding the RHQ policy include: the absence of a regulatory/legislative text outlining the

policy parameters; a lack of clarity on the rights and obligations associated with the RHQ; and a lack of clarity or predictability on the tax regime for RHQs. International companies can obtain RHQ licenses through the Ministry of Investment's (MISA) "Invest Saudi" website. To be considered an RHQ, a company's Saudi branch must conduct strategic and management functions including budgeting, business planning, regional strategy reviews, regional market monitoring and operational and financial reporting. An RHQ must have a minimum of 15 full-time employees within its first year of operation, including at least three senior executives. The Saudi Government may award contracts to sole-source technology or intellectual property providers without RHQs. A non-RHQ company can also be awarded a tender if its bid is at least 25 percent less than an RHQ company's proposal. Contracts for projects outside of Saudi Arabia are not subject to the RHQ policy. It remains unclear whether other Saudi government entities that do not utilize the Etimad Portal, such as the General Authority for Military Industries, will apply the RHQ policy to their contracting decisions. According to the MISA, the RHQ policy applies to a company that submits a bid but had not signed a procurement contract by January 1, 2024. The United States has been actively engaged on this issue and continues to press for more clarity regarding this regulation.

In September 2019, the Saudi Government issued a royal decree prohibiting government agencies from granting contracts to foreign consultancy firms, except in circumstances where there are no qualified Saudi alternatives. However, because the royal decree does not define the criteria for exemptions, and does not clarify whether local branches of foreign-owned firms are covered by the prohibition, it remains subject to interpretation. MISA issues consultancy licenses on a case-by-case basis.

Saudi Arabia is not a Party to the WTO Agreement on Government Procurement (GPA), but has been an observer to the WTO Committee on Government Procurement since December 2007.

U.S. companies have raised concerns regarding a lack of transparency in the UAE's government procurement processes, in addition to lengthy delays and burdensome procedures to receive payment.

In March 2022, the UAE Ministry of Economy announced a revised UAE National Program for Emirati SMEs, which gives an advantage to Emirati-owned SMEs by providing them with several new incentives and preferential services, including: registration for federal government procurement tenders, provision of a range of business services from telecommunications to internal audits, and easier access to funding.

Foreign defense contractors active in the UAE market continue to raise concerns about satisfying contractual obligations to enter into an agreement under the Tawazun Economic Program—referred to as an offset agreement. Despite recent reforms to the program, satisfying offset requirements in the UAE remains a challenge for U.S. defense contractors.

In July 2020, the UAE established a national In Country Value (ICV) Program to expand local procurement preferences. In March 2021, the UAE revised the ICV Program as part of its ten-year comprehensive strategy, "Operation 300 Billion," to promote UAE products. The UAE has expanded the ICV program to all seven emirates and several other government entities, bringing the total number of participants to 31 federal and local government entities. In February 2023, the Abu Dhabi National Oil Company signed agreements worth \$4.63 billion with 23 companies to locally manufacture materials and supplies for its operations. The number of companies that obtained ICV certificates reached 6,500 during the first half of 2024, an increase of 30 percent over the same period of 2023.

U.S. firms have raised concerns that the UAE ICV Program is not transparent and that criteria change frequently. In November 2023, the UAE issued new regulations on federal government procurement with transparency requirements prescribing how federal entities may conduct procurement tenders including prohibiting employees from bidding on tenders from their federal entity and detecting and reporting

conflicts of interest. Some sectors, including defense, internal security, construction, medicine, and overseas operations, are exempt from the new regulations.

The UAE is neither a Party to the WTO Agreement on Government Procurement (GPA) nor an observer to the WTO Committee on Government Procurement.

INTELLECTUAL PROPERTY PROTECTION

As part of its FTA obligations, Bahrain continues to enact laws to improve protection and enforcement of copyrights, trademarks, patents, and plant varieties. However, Bahrain has yet to accede to the International Convention for the Protection of New Varieties of Plants (UPOV 1991), as required under the FTA. Bahrain's record on intellectual property (IP) enforcement is mixed. Over the past several years, Bahrain has launched several campaigns to block illegal broadcast signals and to prohibit the sale of decoding devices in order to combat piracy of cable and satellite television, and has launched several public awareness campaigns regarding copyright piracy. However, many counterfeit consumer goods continue to be sold openly.

Oman committed in the FTA to provide strong IP protection and enforcement. Oman revised its IP laws and regulations to implement its FTA commitments and acceded to several international IP treaties. While IP laws in Oman are strong, the lack of IP enforcement capacity effectively places an additional burden on right holders to perform their own monitoring and enforcement through legal actions in the courts.

Since its establishment in 2017, the Saudi Authority for Intellectual Property (SAIP) has improved IP protection, enforcement, and awareness throughout the Kingdom. Saudi Arabia was removed from the Special 301 Report in 2022 after being placed on the Priority Watch List in 2019 due to inconsistencies in the application and enforcement of relevant IP laws in the pharmaceutical sector. Right holders continue to express concern regarding IP enforcement against counterfeit and pirated goods, citing a lack of transparency and information sharing throughout the complaint process and a lack of coordination between SAIP and other government entities, including SFDA.

In 2021, the UAE was removed from the Special 301 Watch List after resolving concerns with IP protection of pharmaceutical products, making progress on long-standing IP enforcement issues, and increasing transparency with stakeholders. In 2023, the UAE adopted legislation to combat commercial fraud with significant penalties, and enforcement authorities launched several inspection campaigns targeting counterfeit goods. In 2024, the UAE launched its IP Ecosystem platform, with the aim of consolidating data from various government departments responsible for IP enforcement, providing a digital platform for receiving IP complaints, streamlining patent registration, and expediting trademark issuance within a single business day.

However, the Deira District markets in Dubai remain in the [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List). In addition, entertainment industry stakeholders continue to press for the establishment of a collective management organization to enable the collection of music royalty payments. Right holders also continue to ask the UAE Telecommunications and Digital Government Regulatory Authority to engage with domain name registrars and other intermediaries to facilitate effective enforcement actions against copyright infringement, encourage customs authorities to ban the importation of illegal set-top boxes, and put more restrictions on free or paid subscription-based services that unlawfully retransmit TV channels carrying copyright-protected content.

SERVICES BARRIERS

Oman limits customs brokerage activities to Omani nationals. The United States has raised concerns about the consistency of this limitation with provisions of the FTA.

Financial Services

Foreign bank members of the Kuwait Banking Association may operate in Kuwait. However, foreign banks are subject to a maximum credit concentration limit equivalent to less than half of the largest local bank. Foreign banks may open representative offices but are prohibited from directing clients to borrow from external branches of their bank.

Oman does not permit representative banking offices or offshore banking.

Foreign banks established in Qatar are licensed by the Qatar Central Bank (QCB) or the Qatar Financial Centre Regulatory Authority (QFCRA). The Qatari Government permits foreign banks licensed by QFCRA to establish a physical presence and conduct most types of banking business, including provision of shariah-compliant banking services, in the Qatar Financial Centre (QFC). These banks are not allowed to offer stand-alone retail banking services outside the QFC. In April 2021, the cabinet approved a draft law allowing foreign ownership of up to 100 percent in banks listed on Qatar Stock Exchange.

Saudi Arabia limits foreign ownership in commercial banks to 60 percent of any individual bank, but investment banks and brokerages can be 100 percent foreign-owned.

Although the UAE Central Bank allows foreign ownership up to 40 percent in national banks, the actual foreign ownership share is far lower. Foreign banks operating onshore are not allowed to open more than eight branches. Foreign banks are subject to a unique corporate income tax at the sub-federal emirate level.

The emirates of Abu Dhabi, Dubai, and Sharjah have long levied a 20 percent local income tax on foreign banks. In response to the new nine percent federal corporate income tax that went into effect on January 1, 2024, Dubai issued a law in March 2024 allowing foreign lenders to claim deductions from the local income tax on foreign banks for taxes paid under the new federal corporate income tax. Foreign banks established in Abu Dhabi and Sharjah are seeking similar treatment from local authorities. Entities licensed within the financial free zones remain exempt.

Virtual Assets

Since 2018, Qatar has banned all virtual assets due to the risk of money laundering and terrorist financing and potential harm to customers' rights and interests. The QCB issued three circulars, the latest in March 2022, banning trading or dealing in virtual assets or currencies or in the tools that control them. In October 2023, the QFCRA and the QFC published a draft digital assets legislative framework, which was enacted on September 1, 2024, and includes new legislation governing permitted tokens, investment tokens, and token service providers. Cryptocurrencies remain banned.

Insurance Services

Qatar limits full foreign ownership in the insurance sector to 49 percent, unless otherwise approved by the Qatari Cabinet. Foreign insurance companies typically operate through branches and must adhere to regulations from both the QCB and the QFCRA.

The UAE only allows foreign insurance companies to operate independently as branches. Foreign equity in domestic insurance companies is limited to 49 percent.

As of May 2019, a resolution on regulations for reinsurance businesses requires that at least 51 percent of the capital of any insurance company incorporated in the UAE be owned by natural persons who are UAE or GCC nationals, or by legal persons fully owned by UAE or GCC nationals. However, a foreign reinsurance company may seek a license from the regulator to operate as a branch.

In September 2020, the UAE Cabinet amended Council of Ministers Resolution No. 31 of 2019 to include onerous reporting requirements for foreign-owned financial firms, including banks, insurers, and purveyors of other financial products. Companies that are majority-owned by UAE nationals are exempt from these requirements.

In November 2023, UAE federal law No. 48 on insurance entered into force to provide significant enforcement powers to the UAE Central Bank, to empower it to establish and enforce targets for employment of UAE nationals in the insurance sector, to prohibit UAE companies from doing business with unlicensed foreign insurers, and to stipulate required bank guarantees for foreign insurers.

Telecommunications Services

Although Kuwait's telecommunications industry is technically open to private investment, in practice, the Kuwaiti Government maintains extensive ownership in the sector and controls licensing and infrastructure development. Kuwait's telecommunications law gives authorities sweeping power to revoke licenses and block content with little judicial oversight. As of December 31, 2024, the Ministry of Communications was in the process of privatizing the terrestrial fiber optics lines.

Qatar restricts the provision of telecommunications services to locally licensed entities. Ooredoo and Vodafone Qatar are Qatar's only licensed telecommunications service providers, and both are majority owned by government entities with some stakes owned by private shareholders.

The UAE Government maintains majority ownership in e& and du, which are the only telecommunications service suppliers, Internet service providers, and mobile phone operators in the UAE. In January 2021, both telecommunications providers raised their foreign investment cap to 49 percent, though actual foreign ownership is 8.6 percent for e& and 1.4 percent for du.

Professional Services

Non-Omani attorneys, including U.S. attorneys practicing in Oman, are prohibited from appearing in courts of first instance. The United States has raised concerns about the consistency of this limitation with provisions of the FTA. In January 2021, Oman barred non-Omani attorneys from appearing or pleading in higher courts in Oman.

Saudi Arabia requires that entities providing certain professional services have a Saudi partner, including engineering, accounting, architecture, healthcare, dental, and veterinary services. In general, the foreign entity's equity in the joint venture cannot exceed 75 percent of the total investment. In order to avoid the equity cap, a 2017 measure requires foreign engineering consulting firms that are seeking to register a local branch or subsidiary to demonstrate that they have been incorporated for at least ten years and have operations in at least four different countries.

Distribution Services

Only Qatari individuals and domestically-licensed entities are allowed to serve as local commercial agents for foreign firms distributing products or services, except in certain sectors. The Minister of Commerce and Industry can waive the nationality requirement for commercial agents of foreign companies that have direct contracts with the Qatari Government.

The UAE's Federal Law No. 11 of 2020 amended the Commercial Agency Law No. 18 of 1981 to require that all commercial agents within the UAE must be UAE nationals, a UAE public joint stock company (PJSC) that is owned at least 51 percent by UAE nationals, a UAE private entity owned by a PJSC meeting the previous requirements, or a UAE private entity that is 100 percent owned by UAE nationals. In December 2022, the UAE authorized foreign entities to sell their products directly in the UAE without an agent, if there is no agent already appointed in the UAE and the principal has not previously had any agreement registered with a commercial agent in the UAE. In December 2023, the UAE issued decision No. 216, which helps to level the playing field for foreign companies by allowing those involved in a dispute with their commercial agent to seek temporary permission to circumvent their agent and ensure that foreign companies can continue to import their goods and services.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Internet Services

Through its majority government-owned telecommunications service providers and Telecommunications Regulatory Authority (TRA), Oman periodically slows or blocks access to certain over-the-top services. The TRA announced in September 2022 a new regulation limiting the provision of Voice over Internet Protocol (VoIP) and video internet protocol services to companies in the educational, commercial, or medical sectors. The regulation requires service providers to obtain TRA permits and house data servers and equipment in Oman, and it limits the provision of services to corporate customers (not individuals). Private sector representatives continue to request that the Omani Government provide clarifying details on the regulation and its implementation.

In December 2019, the TRA announced a new regulation limiting the use of international roaming subscriber identity module (SIM) cards for Internet of Things (IoT) devices to a maximum use period of 90 days.

Although the Qatari Government requires a license for telecommunications and VoIP services providers, it grants licenses only to companies intending to charter in Qatar. This requirement serves as a barrier for foreign communications service providers. Ooredoo and Vodafone Qatar are Qatar's only VoIP and telecommunications service providers, and both are majority-owned by state-controlled entities.

In March 2018, Saudi Arabia's Communications and Information Technology Commission (CITC) issued the Cloud Computing Regulatory Framework. This measure granted the CITC broad powers to require cloud and other information and communications technology service providers to install and maintain governmental filtering software on their networks, restricting Internet-based services.

The UAE's nationally-controlled telecommunications service suppliers, e& and du, block access to many over-the-top Internet-based communications services, such as VoIP services, video communication services, and messaging services. UAE regulators have declined to intervene, effectively prohibiting market access for foreign suppliers of such services. In March 2020, UAE regulators announced the temporary availability of five applications to support distance learning and remote working amid the

COVID-19 pandemic. In 2024, UAE regulators continued allowing these applications on a temporary basis. Stakeholders raised concern that e& and du consistently control access to, and the quality of, foreign Internet-based communications services, creating significant market access barriers for U.S.-based Internet services and apps. UAE regulators continue to insist that only national providers can provide these forms of communications services.

Data Transfers

In September 2021, Saudi Arabia enacted the Personal Data Protection Law (PDPL). Stakeholders have noted concerns that the PDPL includes unnecessary data transfer restrictions. The Saudi Arabian Data and Artificial Intelligence Authority (SDAIA) published an amended draft of the PDPL in December 2022, but postponed full enforcement to address feedback received during the public comment period. The SDAIA published additional draft implementing regulations in June 2023, and published the final regulations in September 2023, which have been enforced since September 2024. U.S. companies remain concerned that the PDPL did not clearly include the United States as an approved jurisdiction for data transfers; that the guidelines for compliance and harmonization of sector-specific regulations and the rules for application of “legitimate interest” in transferring data in the healthcare sector are unclear; and that Saudi Arabia did not provide a sufficient implementation period for compliance.

In January 2022, the UAE’s Federal Decree No. 45 of 2021 regarding personal data protection (the Data Protection Law) came into effect. Executive regulations to clarify implementation of the Data Protection Law remain under draft. The Personal Data Protection Law restricts the cross-border flow of data unless the Emirates Data Office determines that the receiving country or territory provides adequate levels of personal data protection, the UAE is party to bilateral or multilateral agreements related to personal data protection with the receiving country, personal data is transferred under a contract that requires the recipient to adopt certain data protection measures, personal data is transferred based on consent, or another listed condition is met. Health data falls outside of the scope of the Personal Data Protection Law.

UAE Federal Law No 2 of 2019 (the Health Data Law), which regulates the use of information technology and communications in the healthcare sector, came into effect in May 2019 and prevents businesses from storing, processing, generating, or transferring health data outside the UAE. UAE Health Data Ministerial Resolution 51 of 2021, which is an implementing regulation for the 2019 Health Data Law, allows health authorities in each Emirate to grant exemptions allowing for cross-border flows of health data on a case-by-case and conditional basis until full compliance is possible. The process and criteria for receiving such exemptions is not consistent across the seven Emirates. In August 2024, the Abu Dhabi - Healthcare Information and Cyber Security Standard (ADHICS) version 2.0 came into effect and allows the use of cloud data services for the storage and processing of health data inside of the UAE. ADHICS version 2.0 continues to restrict cross-border flows of health data, except when exemptions have been granted by the Department of Health – Abu Dhabi. ADHICS version 2.0 does not include a process for transferring health data across borders for legitimate purposes, such as fraud prevention or fulfilling contractual obligations with clients.

INVESTMENT BARRIERS

Limitations on Foreign Equity Participation

Existing law generally mandates that businesses established in Kuwait be majority-owned (at least 51 percent) by Kuwaiti or other GCC nationals. However, Kuwait’s Foreign Direct Investment Law of 2013 permits the Kuwait Direct Investment Promotion Authority (KDIPA) to authorize, on a case-by-case basis, up to 100 percent foreign ownership in the following industries: infrastructure (e.g., water, power,

wastewater treatment, and communications); insurance; information technology and software development; hospitals and pharmaceuticals; air, land, and sea freight; tourism, hotels, and entertainment; housing projects and urban development; and investment management. KDIPA has granted licenses to 69 foreign-owned firms, including U.S. companies. In December 2023, Kuwait adopted a new regulation allowing foreign companies to open branch offices in Kuwait without a local agent. Notwithstanding these efforts, significant barriers to foreign investment persist, including regulations prohibiting foreigners from investing in real estate, extraction of crude petroleum and natural gas, manufacture of coke oven products and fertilizers, and publishing; long delays associated with establishing new enterprises, which can take as long as 12 months; and difficulty identifying a local sponsor or agent, as required by law.

Omani Royal Decree 29/2018 of 2019 bans foreign ownership of real estate and land in certain governorates and areas that the government deems necessary to restrict. However, non-Omanis may purchase integrated tourism complexes and residential units in multi-storied commercial and residential buildings in certain areas of the Muscat governorate under usufruct rights (*i.e.*, the right to lease one's property to another person), with certain restrictions. Oman has also allowed the establishment of real estate investment funds, through which foreign investors may own commercial property. In August 2024, Oman's Ministry of Commerce, Industry, and Investment Promotion issued Ministerial Resolution No. 2024/435, which amended Ministerial Resolution No. 2020/209 by adding 28 activities to the list of business activities prohibited for foreign investment, bringing the total list to 123 prohibited activities. The United States is currently seeking to confirm with the Government of Oman whether this list and the associated foreign investment prohibitions apply to U.S. investors.

Qatar's Law 1/2019 permits foreign investment in Qatar, either by partnering with a Qatari investor owning at least 51 percent of an enterprise or by obtaining approval from the Ministry of Commerce and Industry for up to 100 percent foreign ownership. However, foreign investment in the banking and insurance sector, commercial agencies, national oil and gas companies, and companies with the right of exploration of national resources cannot exceed 49 percent foreign ownership. Council of Ministers Decision No. 2020/28 limits foreign ownership of real estate and land to nine designated zones and usufructuary rights up to 99 years in 16 other zones. Foreign investors may also own properties within selected residential complexes and retail outlets in specific commercial complexes.

In August 2024, Saudi Arabia issued a new Investment Law under Royal Decree No. M/19, effective February 2025. Consistent with Saudi Arabia's Vision 2030 and National Investment Strategy, the 2024 Investment Law applies to both foreign and domestic investors and significantly expands the business activities open to foreign investment. However, this law requires the Ministry of Investment to issue and maintain a list of "excluded activities" in which foreign investment will remain restricted unless the investor receives prior approval from MISA and the relevant government agency.

Only "qualified foreign investors" (QFI) designated by Saudi Arabia's Capital Market Authority are permitted to buy directly the shares or convertible debt of an issuer listed on the local Tadawul stock exchange. Their investments are capped at 10 percent of any individual company. Cumulative foreign ownership cannot exceed 10 percent of the total Tadawul market capitalization or 49 percent of any individual company. Entities eligible for QFI status include banks, brokerages and securities firms, insurance companies, investment funds, and governments and government-related entities with at least \$500 million in assets under management.

Pursuant to amendments to the UAE Commercial Companies Law in 2020, there is no longer a federal requirement that UAE or GCC nationals own at least 51 percent of the shares of a UAE company. In 2021, Emirates began to implement legislative changes allowing up to 100 percent foreign ownership in more than 1,100 listed commercial and industrial business activities. However, foreign investment remains restricted to no greater than 49 percent for commercial agencies or companies engaged in certain activities,

including banking, insurance and re-insurance, and telecommunication sectors, as well as certain professional activities such as consultancies.

LABOR

The United States and Bahrain have been engaged in labor consultations under Article 15.6 of the FTA since 2013 regarding Bahrain's obligations under Article 15.1. The United States formally requested consultations after the U.S. Department of Labor released a report in response to a submission from the public. The consultations concern employment discrimination and freedom of association. During 2024, the Office of the United States Trade Representative and the U.S. Department of Labor continued to engage with the Government of Bahrain in an effort to address these and related issues.

HONDURAS

TRADE AGREEMENTS

Dominican Republic–Central America–United States Free Trade Agreement

The Dominican Republic–Central America–United States Free Trade Agreement (CAFTA–DR) entered into force for the United States and El Salvador on March 1, 2006, for Honduras and Nicaragua on April 1, 2006, for Guatemala on July 1, 2006, for the Dominican Republic on March 1, 2007, and for Costa Rica on January 1, 2009. The United States and the other CAFTA–DR countries meet regularly to review the implementation and functioning of the Agreement and to address outstanding issues.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

As a member of the Central American Common Market, Honduras applies a harmonized external tariff on most items at a maximum of 15 percent, with some exceptions. However, under the CAFTA–DR, as of January 1, 2015, U.S. non-agricultural goods enter Honduras duty free.

In addition, nearly all U.S. agricultural exports enter Honduras duty free under the CAFTA–DR. Honduras eliminated its tariffs on rice and chicken leg quarters on January 1, 2023 and eliminated its tariffs on dairy products on January 1, 2025. For certain agricultural products, tariff-rate quotas (TRQs) permit duty-free access for specified quantities during the tariff phaseout period, with the duty-free quantities expanding during that period. Honduras will liberalize trade in white corn through continual expansion of a TRQ, rather than by the reduction of the out-of-quota tariff. Honduras is required under the CAFTA–DR to make TRQs available on January 1 of each year. Honduras monitors its TRQs through an import licensing system, which the United States carefully tracks to ensure the timely issuance of these permits.

Taxes

Honduran Customs imposes a 15 percent sales tax on pork rib imports when the product description is in English. However, if the product description is in Spanish, according to Decree 05-2014, the pork ribs are considered basic necessities and are exempt from sales tax. The U.S. Government has asked the Ministry of Finance to revise Decree 05-2014 to treat pork cuts labeled in English the same as those labeled in Spanish for dutiability purposes.

Non-Tariff Barriers

Import Licensing – Poultry, Rice, and Onions

Honduras implemented a new series of complicated licensing systems for the importation of poultry products and rice in 2023 and for the importation of onions in 2024. The new system includes requirements that do not explicitly limit the importation of these products but create administrative requirements to obtain the required import licenses that have created challenges for U.S. exporters. For example, U.S. exporters are required to engage with multiple Honduran Government agencies to apply for a license. After the United States repeatedly raised these concerns, Honduras made some changes to streamline and improve

the process through modifications to Decree 104-2023 for Rice and Decree 055-2023 for Poultry, including the ability to electronically upload documents as PDF files to the Ministry of Economic Development (SDE) portal. However, importers of rice and poultry still face challenges complying with the requirements. Each administrative agency of the Government of Honduras—Honduras Ministry of Agriculture, Animal Health and Food Safety Service (SENASA), Ministry of Economic Development, and Honduran Customs—has approximately eight additional steps necessary for approval. Consistent with its international obligations, the Government of Honduras committed to notify these decrees to the World Trade Organization (WTO) Committee on Import Licensing to inform all trading partners of these new non-automatic import licensing procedures but, as of December 31, 2024, had made no such notifications.

The requirements for poultry are contained in Ministerial Agreement 021-2023, published in the Official Gazette on February 16, 2023, as amended on June 17, 2023, through decree modification 055-2023. The requirements for rice are contained in Ministerial Agreement 020-2023, also published in the Official Gazette on February 16, 2023, as amended through Ministerial Agreement 104-2023, published on October 31, 2023. The new requirements for onions are contained in Ministerial Agreement 071-2024, published on May 27, 2024.

INTELLECTUAL PROPERTY PROTECTION

The United States continues to have significant concerns regarding intellectual property (IP) protection and enforcement in Honduras, including with respect to online and software piracy, cable signal piracy, and the distribution and sale of counterfeit and pirated goods. The United States continues to urge Honduras to fully enforce its IP laws. The United States continues to monitor Honduras's implementation of its IP obligations under the CAFTA–DR.

SERVICES BARRIERS

Distribution Services

U.S. firms have reported challenges working with local distributors of products from the United States. Citing the 1977 Honduran Law on Agents, Distributors and Representatives of Domestic and Foreign Companies (Decree Law No. 549), Honduras has required foreign firms to enter into agreements with local distributors to supply local markets and allowed distributors to register as the sole distributor of certain products or brands, which has at times resulted in U.S. exports being barred from import. The application of certain requirements under Decree Law No. 549 that restricted the ability of U.S. producers to distribute U.S. products in Honduras had been eliminated with the entry into force of the CAFTA–DR. However, U.S. firms continued to report in 2024 that certain restrictions on distribution were being applied to U.S. exports.

LABOR

The United States and Honduras continue to meet through their contact points, under Article 16.4.3 of the CAFTA–DR. This engagement includes reviewing Honduras' progress toward implementing specific recommendations from the United States that resulted from a U.S. Department of Labor (DOL) report and the United States–Honduras Labor Rights Monitoring and Action Plan. The [DOL report](#), published in 2015 in response to a submission from the public under the CAFTA–DR raised significant concerns regarding labor law enforcement in Honduras, especially with respect to the right to freedom of association; the right to organize and bargain collectively; the minimum age for work and the worst forms of child labor; and acceptable conditions of work in various economic sectors, including apparel, automotive parts, and agriculture.

HONG KONG

Hong Kong, China (Hong Kong) is a separate customs territory from mainland China, and the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China states that Hong Kong can enter into international agreements in commercial, economic, and certain other matters. Hong Kong is a separate and founding Member of both the World Trade Organization and the Asia-Pacific Economic Cooperation forum.

The imposition of national security laws on Hong Kong by the Chinese Government in Beijing in 2020 and 2024 led to major structural changes in Hong Kong. These changes significantly reduced Hong Kong's autonomy and undermined human rights and fundamental freedoms.

On June 30, 2020, the Chinese Government in Beijing imposed the National Security Law (NSL) on Hong Kong. Among other provisions, Article 31 of the NSL stipulates that an incorporated or unincorporated body, which may include domestic corporations, international businesses, international non-governmental organizations, and media outlets, can be prosecuted for violating the NSL.

On July 14, 2020, following imposition of the NSL, as well as other actions taken by Beijing to undermine Hong Kong's autonomy, the U.S. President issued [Executive Order \(EO\) 13936](#), reflecting a presidential determination that Hong Kong is no longer sufficiently autonomous to justify differential treatment in relation to China under the particular laws set out in the Executive Order, and that the situation with respect to Hong Kong constitutes an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. Accordingly, EO 13936 directed U.S. Government agencies to suspend or eliminate certain policy exemptions under U.S. law that had given Hong Kong differential treatment in relation to China.

On March 23, 2024, the Hong Kong Government enacted the "Safeguarding National Security Ordinance" (SNSO) under Article 23 of the Basic Law. The SNSO adopted the Chinese Government's overly broad definition of national security and would impose harsh penalties for some offenses, including up to life imprisonment. On September 6, 2024, following enactment of the SNSO, the U.S. Government released an [Updated Business Advisory for Hong Kong](#), in which it explained how business operations in Hong Kong could be adversely impacted.

INTELLECTUAL PROPERTY PROTECTION

Hong Kong generally provides strong intellectual property (IP) protection and enforcement and, for the most part, has strong IP laws in place. In June 2020, Hong Kong passed the Trade Marks (Amendment) Ordinance that will enable applications to be filed through the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (the Madrid Protocol) in Hong Kong. As of December 31, 2024, the ordinance had not yet been implemented.

Hong Kong's failure to modernize its copyright system has allowed it to become vulnerable to digital copyright piracy, particularly from streaming websites and illicit streaming devices (ISDs), with negative ramifications for businesses and innovators. In December 2022, Hong Kong adopted the final Copyright (Amendment) Ordinance 2022, which came into operation on May 1, 2023. The updated law introduced a new exclusive right for copyright owners to communicate their works to the public through any mode of electronic transmission, including streaming, and made a violation of that right subject to criminal sanctions. At the same time, the updated law did not introduce specific provisions to combat ISDs. U.S. stakeholders stated that copyright holders still face uncertainty obtaining effective civil relief against illegal

video streaming and that ISDs continue to be a concern in Hong Kong, noting the lack of criminal enforcement against the sale of ISDs and the availability of ISDs on electronic commerce platforms and in electronics stores in Hong Kong.

The Customs and Excise Department of Hong Kong investigates IP crimes and routinely seizes IP-infringing products arriving from mainland China and elsewhere. However, U.S. Government officials and private sector stakeholders report that counterfeit pharmaceuticals, luxury goods, and other infringing products continue to enter Hong Kong. These products are typically destined for both the Hong Kong market and markets outside of Hong Kong.

INDIA

TRADE AGREEMENTS

The United States–India Trade Policy Forum

The United States and India launched the Trade Policy Forum (TPF) in July 2005 and signed an agreement in March 2010 that formally established the TPF as the primary mechanism for discussions of trade and investment issues between the United States and India. The U.S. Trade Representative and the Indian Minister of Commerce and Industry (MOCI) met in New Delhi, India for the fourteenth TPF Ministerial in January 2024.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

India's average Most-Favored-Nation (MFN) applied tariff rate was 17.0 percent in 2023 (latest data available), which was the highest of any major world economy, with an average applied tariff rate of 13.5 percent for non-agricultural goods and 39.0 percent for agricultural goods.

India maintains high applied tariffs on a wide range of goods, including vegetable oils (as high as 45 percent); apples, corn, and motorcycles (50 percent); automobiles and flowers (60 percent); natural rubber (70 percent); coffee, raisins, and walnuts (100 percent); and alcoholic beverages (150 percent). In addition, India maintains very high basic customs duties (in some cases exceeding 20 percent) on drug formulations, including life-saving drugs and finished medicines listed on the World Health Organization's [list of essential medicines](#). High tariff rates also present a significant barrier to trade in other agricultural goods and processed foods (*e.g.*, poultry, potatoes, citrus, almonds, pecans, apples, grapes, canned peaches, chocolate, cookies, frozen french fries, and other prepared foods used in fast-food restaurants).

India's World Trade Organization (WTO) bound tariff rates on agricultural products are among the highest in the world, averaging 113.1 percent and ranging as high as 300.0 percent. Given the large disparity between WTO bound and applied rates, India has considerable flexibility to change tariff rates for both agricultural and non-agricultural products at any time, creating tremendous uncertainty for U.S. workers, farmers, ranchers, and exporters. The Government of India took advantage of this tariff flexibility in the 2019/2020 budget by increasing tariffs without any notice or public consultation process on approximately 70 product categories, including those covering key U.S. exports in the agricultural, information and communication technology, medical devices, paper products, chemicals, and automotive parts sectors. In its 2020/2021 budget, India further raised tariffs for 31 product categories, including solar inverters and solar lanterns. In its 2021/2022 budget, India further raised tariff rates on imported headphones, loudspeakers, and smart meters used by power distribution companies. In addition, starting in 2014, India has repeatedly applied tariffs on certain telecommunications equipment, including network switches, that appear to be above its WTO bound commitments to provide duty-free treatment.

In June 2019, following the U.S. withdrawal of India's preferential tariff benefits under the unilateral Generalized System of Preferences (GSP) program due to India's failure to comply with the program's eligibility criteria, India implemented retaliatory tariffs ranging from 1.7 percent to 20 percent on 28 different products imported from the United States, including almonds, apples, walnuts, chickpeas, lentils,

phosphoric acid, boric acid, diagnostic reagents, binders for foundry molds, select steel and aluminum products, and threaded nuts. While the decision to implement these tariffs followed the U.S. withdrawal of India's GSP benefits, India had originally announced the intention to adopt the tariffs in June 2018 in retaliation against the U.S. decision to implement tariffs on U.S. imports of steel and aluminum products under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. § 1862). In July 2019, the United States launched a WTO dispute settlement proceeding against India challenging the retaliatory tariffs. In June 2023, in the course of discussions related to the termination of six outstanding WTO dispute settlement proceedings between the United States and India, India agreed to rescind certain retaliatory tariffs on the following U.S. origin products: chickpeas, lentils, almonds, walnuts, apples, boric acid, and diagnostic reagents. The dispute related to India's retaliatory tariffs was terminated in July 2023. India's Ministry of Finance published a customs notification rescinding the duties effective September 2023. The United States continues to urge India to participate in multilateral efforts to address the problem of global non-market excess capacity in the steel and aluminum sectors.

Taxes

Since 2018, India has applied a 10 percent surcharge on imports, which is assessed on the value of other duties rather than the customs value of the imported product. Certain products are exempted from the surcharge pursuant to official customs notifications. India routinely changes the surcharge on a range of agricultural products.

Non-Tariff Barriers

India maintains various forms of non-tariff barriers: banned or prohibited items that are denied entry into India (*e.g.*, tallow, fat, and oils of animal origin); items that require a non-automatic import license (*e.g.*, certain livestock products, pharmaceuticals, certain chemicals, certain information technology products); and items that are importable only by government trading monopolies and are subject to cabinet approval regarding import timing and quantity (*e.g.*, corn under a tariff-rate quota).

While the MOCI's Directorate General of Foreign Trade (DGFT) maintains a list of all three categories of prohibited or restricted items on its [website](#), India often fails to observe other transparency requirements, such as publication in the Gazette of India of the timing and quantity of restrictions and notification to relevant WTO committees.

Import Restrictions

To manage domestic oversupply, the Indian Government began imposing quantitative restrictions on imports of various pulses in 2017, based on local supply and demand conditions. In February 2022, India issued a notification to restrict the import of mung beans until March 31, 2023, but imports of most pulses are now allowed without any quantitative restrictions. However, the opaque and unpredictable nature of India's application of quantitative restrictions has affected the ability of U.S. exporters to access the market. The United States, along with other trading partners, continues to raise India's application of quantitative restrictions at the WTO.

India applies restrictions on boric acid imports, including arbitrary import quantity approval restrictions and other requirements that only apply to imports. Long periods of time can pass without the issuance of any import licenses. In addition, the import application specifies that non-insecticidal boric acid can only be imported directly by a domestic manufacturer, which prevents independent traders from importing boric acid for resale purposes. Meanwhile, domestic producers continue to be able to sell boric acid for non-insecticidal use, subject only to a requirement to maintain records showing they are not selling to end users.

who will use the product as an insecticide. India has cited state-level court cases in Kerala and Gujarat endorsing the legal rationale for applying the restriction on boric acid imports.

Import Licensing

When assessing whether import licenses are required, India distinguishes between goods that are new and those that are secondhand, remanufactured, refurbished, or reconditioned. India allows imports of secondhand capital goods by end users without an import license if the goods have a residual life of at least five years. India requires import licenses for all remanufactured goods because India does not recognize that remanufactured goods have typically been restored to original working condition and meet the technical and safety specifications applied to products made from new materials. Refurbished items must be no more than seven years old and have a remaining life span of at least five years. U.S. stakeholders have reported that obtaining an import license for remanufactured goods is onerous. Stakeholders noted excessive details are required in the license application, quantity limitations are set for specific parts, and long delays occur between the submission of an application and the grant of a license. A Chartered Engineer's Certificate is also required to import both refurbished goods and used manufactured goods. In the case of refurbished medical devices, the absence of guidelines to issue licenses and clear import processes under the Medical Device Rules has historically caused delays and uncertainty, limiting U.S. exports. U.S. companies report that they have been unable to import their devices into India since April 2024, when India's regulator (Central Drugs Standard Control Organization or CDSCO) suspended approvals of existing and new applications for import licenses.

On August 3, 2023, the Indian Government announced restrictions on imports of certain information and communications technology products, including laptops, tablets, and servers classified under Harmonized System (HS) heading 8471, which appear to include an import licensing requirement. While the licensing requirements were initially set to take effect immediately, India delayed implementation until November 2023. India later further extended the licensing requirement until December 31, 2025. U.S. exporters have expressed concerns over the lack of prior stakeholder consultations. The United States continues to monitor the situation and engage with India on these concerns.

Customs Barriers and Trade Facilitation

India's tariff rates are announced with the annual budget and are modified on an *ad hoc* basis through notifications in the Gazette of India without opportunity for comment. The tariff rates are subject to numerous exemptions that vary according to the product, user, intended use, or specific export promotion program. This renders India's customs system complex and open to administrative discretion.

U.S. exporters have raised concerns regarding India's application of customs valuation criteria to import transactions. Indian customs officials sometimes reject the declared transaction value of an import, especially if it is a product for which India maintains benchmark prices, potentially raising the cost of exports beyond what is expected given India's applied tariff rates. U.S. companies have also faced extensive investigations related to their use of certain valuation methodologies when importing computer equipment.

U.S. companies have reported being subject to extensive inspections and seizures of imports that do not appear to be risk-based. India's customs authority generally requires extensive clearance documentation, often in electronic and paper format, which is duplicative and often leads to lengthy processing delays. U.S. exporters also raise concerns about regional variations in the application of customs procedures and in documentation requirements. These could be addressed with a robust advance ruling system in which regional discrepancies are superseded by rulings issued at a central, territory-wide level. However, U.S.

exporters often report that advance rulings from one region are not respected in another region and that there is no effective central mechanism to resolve the differences.

Medical Device Price Controls

India's National Pharmaceutical Pricing Authority (NPPA) caps prices of coronary stents and knee implants. U.S. companies have raised concerns noting that the price controls have not been increased in line with inflation and do not differentiate on the basis of the cost of production or technological innovation, which dissuades U.S. companies from serving the market.

Ethanol Import Restrictions

Despite ambitious targets for blending ethanol with gasoline, India prohibits the importation of ethanol for fuel use. The MOCI also requires an import license from DGFT to import ethanol for non-fuel purposes. In addition, the DGFT restricts biofuel imports under HS subheadings 2207.20 and HS 2710.20, and HS heading 3826 for non-fuel use to actual users. Since May 2019, the MOCI requires an import license for importing biofuels under these HS headings and subheading.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

The United States has discussed technical barriers to trade (TBT) matters with India through the TPF as well as at, and on the margins of, meetings of the WTO Committee on Technical Barriers to Trade (WTO TBT Committee).

Quality Control Orders for Chemicals and Other Materials

Since 2019, India has made a number of Bureau of India Standards (BIS) standards mandatory for quality control purposes in an increasing number of sectors, including chemicals, medical devices, batteries, electronics, food, and textiles. The means of verifying compliance vary. For example, India requires that chemicals have BIS marks before importation, which can only be issued following a site visit by an Indian inspector to the manufacturing facility. The United States has concerns that BIS standards are not fully aligned with international standards without demonstrating they would be ineffective or inappropriate, often do not provide a means of establishing conformity or include significantly burdensome requirements, and lack clear timelines for transition periods and license validity. The United States also has concerns that stakeholders were not consulted during the development of many of these standards.

Between March 2021 and March 2024, the U.S. Government raised concerns over the polyethylene quality control order (QCO) bilaterally and at the WTO, highlighting specific concerns regarding the complexity of the labeling requirements, and offered an alternative solution to meet the requirements. The Ministry of Chemicals and Fertilizers implemented the QCO on January 5, 2024, and had announced on January 4, 2024 that many of the products covered by the QCOs would be exempted. For products still subject to the QCOs, U.S. industry has asked the Indian Department of Chemicals and Petrochemicals to consider allowing importers to demonstrate conformity with international standards and quality specifications and to recognize self-certification as well as data from internationally accredited labs outside of India. This along with the issuance of clear guidelines and instructions to the Indian customs authority for both the QCO exemptions and QCO implementation would help to address concerns so that these burdensome requirements do not unnecessarily delay imports.

Alcoholic Beverages

In June 2020 and June 2023, the Food Safety and Standards Authority of India (FSSAI) published its Food Safety Standards (Alcoholic Beverages Amendment) Regulations and notified the amendments to the WTO. The FSSAI has not clarified the timeline for enforcement of its amended regulations. While FSSAI addressed several of the issues that the United States raised with India, several concerns remain, including: (1) the establishment of analytical parameters for a range of naturally occurring components in distilled spirits; (2) minimum and maximum requirements for ethyl alcohol; (3) the lack of explicit protection for Bourbon, Rye, and Tennessee Whiskey as distinctive products of the United States; (4) a lack of clarity on definitions related to single malt and single grain whiskies, brand owners, date markings, non-retail containers, multi-unit packs and spirits-based ready to drink (RTD) standards; and (5) lack of acceptance of U.S. certificate of analysis (CoA) from chemists and laboratories certified by the U.S. Alcohol and Tobacco Tax and Trade Bureau of the U.S. Department of Treasury.

Mandatory Domestic Testing and Certification Requirements for Equipment

In September 2017, India's Ministry of Communications, Department of Telecommunications published the Indian Telegraph (Amendment) Rules, which require all telegraph equipment to undergo mandatory testing and certification. Under these rules, in 2019 India implemented the Mandatory Testing and Certification for Telecom Equipment (MTCTE) procedures, which require local security testing for telecommunication products. In May 2021, India's Telecommunication Engineering Center proposed implementing procedures for the MTCTE program and then further expanded the scope in September 2021 to require mandatory testing for 175 products. U.S. industry remains concerned with the in-country testing and certification requirements. The United States, bilaterally through the TPF and multilaterally in the WTO TBT Committee, has urged India to reconsider its domestic testing and certification requirements, to accept test results from International Laboratory Accreditation Cooperation accredited labs, and to adopt the use of the Common Criteria Recognition Arrangement.

The United States continues to raise concerns that U.S. electronics and information and communication technology manufacturers have expressed regarding the Ministry of Electronics and Information Technology (MEITY) Compulsory Registration Order (CRO). The policy, which took effect in January 2014, mandates that manufacturers register their products and have them certified by laboratories accredited by the Bureau of Indian Standards, even if the products have already been certified by accredited international laboratories. In October 2021, India increased the coverage of the CRO to 63 product categories, and U.S. stakeholders report MEITY plans to continue to expand the CRO coverage. Further, under India's Communication Security Certification Scheme (ComSec), beginning in 2023 telecommunication equipment such as routers, Wi-Fi access points, switches, and firewalls must comply with India-specific cybersecurity assurance standards (Indian Telecom Security Assurance Requirements or ITSAR) and undergo costly third-party testing at a designated Telecom Security Testing Laboratory (TSTL) in India. In addition to mandating testing to an outdated and country-specific standard through a limited number of approved laboratories, India requires original electronic manufacturers (OEMs) for certain equipment to disclose proprietary information such as source code or internal test results during TSTL testing.

U.S. stakeholders have cited the following as continuing issues: lack of government testing capacity; a cumbersome registration process; canceled registrations due to administrative reasons that are unrelated to safety; and additional compliance costs that can exceed tens of millions of dollars, including costs associated with factory-level and component-level testing.

The U.S. Government has recommended that the Indian Government recognize internationally accredited labs, harmonize labeling requirements with global practices, harmonize the validity period of test reports and certification, and eliminate retesting requirements.

Sanitary and Phytosanitary Barriers

The United States has raised concerns about the science and risk basis for India's sanitary and phytosanitary-related trade barriers to food and agricultural imports in bilateral and multilateral fora, including the TPF, the WTO Committee on Sanitary and Phytosanitary Measures (SPS Committee), and the Codex Alimentarius Commission. The United States will continue to make use of all available fora with a view to securing the entry of U.S. agricultural products (including dairy products, alfalfa hay, and other feed grains) into the Indian market.

Agricultural Biotechnology

Products derived from modern biotechnology must be approved by the Genetic Engineering Appraisal Committee (GEAC) before importation or domestic cultivation. The Food Safety and Standards Act of 2006 includes specific provisions for regulating food products derived from genetically engineered (GE) products; however, as of December 31, 2024, FSSAI was still in the process of establishing its regulations. India's biotechnology approval processes are slow, opaque, and subject to political influences and do not appear to take into account science-based approval processes for GE products in exporting countries. GEAC's uncertain approval process continues to hamper GE product registrations needed to facilitate trade in food and feed products.

Non-Genetically Modified and Genetically Modified-Free Certificates

In March 2021, the FSSAI implemented an order requiring a non-Genetically Modified (non-GM) origin and "Genetically Modified free" (GM-free) certificate for 24 listed products. Each consignment of these products entering India must be accompanied by (1) a non-GM origin and GM-free attestation on the phytosanitary or health certificate that contains the information specified in FSSAI's order of August 21, 2020, or (2) a non-GM origin and GM-free certificate issued by a regional (*i.e.*, state level) government authority of the exporting country. The 24 products include grains, oilseeds, fruits, and vegetable products, regardless of whether GE varieties of those crops are in commercial production or are being exported to India. India has not provided any scientific or risk-based justification for the requirement. The United States and several other countries have pressed India to rescind the requirement in comments submitted to the WTO TBT and SPS Committees, and continue to engage the Indian Government, including the FSSAI, on the order.

Certificate Requirements

In September 2022, the FSSAI issued a clarification notice to its earlier notification F. No. 1829/Health Certificate/FSSAI/Imports (2021). The notice states that the FSSAI will require a new health certificate for the import of milk and milk products, pork and pork products, and fish and fish products. The certificate contains a number of duplicate attestations already required by the Department of Animal Husbandry and Dairying (DAHD), but also requires new attestations that are not relevant to food safety or based on science. In 2023, FSSAI and DAHD agreed to combine their certificates into a single document, but the new attestations remain. After several postponements, enforcement of the new certificate requirement for dairy products began in late 2024. India has indicated that it will continue to add additional commodities to the list of products that require the new certificate.

Foreign Facilities Registration for Agricultural Products

As of February 2023, FSSAI requires the competent authorities of exporting countries to provide a list of exporters of milk and milk products; meat and meat products, including poultry and fish; egg powder; infant food; and nutraceuticals to India in the mandated FSSAI format.

Dairy Products

India imposes onerous requirements on dairy imports. India requires that dairy products intended for food be derived from animals that have not consumed feeds containing internal organs, blood meal, or tissues of ruminant or porcine origin and that exporting countries certify to these conditions, which lack a discernable animal health or human health justification. This requirement, along with the recent dairy health certificate requirements, new facility registration requirements, and high tariff rates, continues to hamper market access for U.S. milk and dairy product exports to India, one of the largest dairy markets in the world. The U.S. Government continues to press the Indian Government, including through the TPF, to provide greater access to the Indian dairy market.

Distiller's Dried Grains with Solubles

India's regulatory requirements on distiller's dried grains with solubles (DDGS) remain unclear. Since 2015, the GEAC has received at least 11 applications from Indian importers to import U.S. DDGS. Local feed companies, along with the U.S. Government, continue to advocate that DDGS be exempted from further regulatory requirements, noting that DDGS are a processed product and pose no risk to the environment. In July 2018, the GEAC formed the Sub-Committee on Guidelines for Imports of Animal Feed to establish procedures for applications related to the imports of animal feeds, including DDGS. The Sub-Committee submitted recommendations for approval to the GEAC in November 2019. As of the January 2024 TPF Ministerial meeting, the GEAC has not officially confirmed that it will not regulate DDGS as living modified organisms.

In addition, unclear jurisdiction for the approval process for animal feed continues to complicate the process. For example, in December 2019, the FSSAI published Direction 1-95, announcing new requirements for commercial animal feeds and feed materials that are manufactured, imported, or distributed in India. Prior to the publication of Direction 1-95, however, the FSSAI had not regulated the manufacture, import, or distribution of either commercial animal feeds or feed ingredients in India. India indicated it would issue an administrative order to clarify the formal regulatory authority of animal feed in 2024; however, as of December 31, 2024, the orders were yet to be issued.

Alfalfa Hay

The United States continues to pursue market access for alfalfa hay. The U.S. Department of Agriculture Animal and Plant Health Inspection Service and India's Ministry of Agriculture and Farmer's Welfare held several rounds of technical discussions to address India's import requirements. In 2021, India and the United States agreed to a framework for bilateral market access for several agricultural products, including conventional and GE alfalfa hay from the United States. In August 2022, the GEAC issued a "no objection" to imports of GE alfalfa hay from the United States, and referred the matter to the FSSAI. In October 2022, India's FSSAI raised concerns regarding the approval of GE animal feed imports, including alfalfa hay, impeding additional progress on this issue. The United States raised the issue at the TPF Ministerial meeting in January 2024, and India indicated its intention to address import approvals of alfalfa hay and other feeds, however this remains pending.

Poultry

In 2012, the United States commenced WTO dispute settlement proceedings against India's import prohibitions on various agricultural products from the United States, including poultry and poultry products, ostensibly due to concerns regarding avian influenza. The WTO panel and Appellate Body issued reports in favor of the United States. In 2016, the United States requested authorization from the WTO Dispute Settlement Body (DSB) to suspend concessions or other obligations on the grounds that India had failed to comply with the DSB recommendations within the "reasonable period of time" to which the parties agreed. The U.S. request was referred to arbitration. In April 2017, India requested the establishment of a compliance panel, asserting that it had enacted a revised avian influenza measure that complied with its WTO obligations. In September 2023, the United States and India announced an agreement to settle this dispute. As part of the agreement, India agreed to reduce tariffs on certain U.S. products, including frozen turkey, premium frozen duck, fresh blueberries and cranberries, frozen blueberries and cranberries, dried blueberries and cranberries, and processed blueberries and cranberries. On March 15, 2024, the parties notified a mutually agreed solution to the WTO. The United States is working with U.S. exporters to ensure that they take full advantage of these tariff reductions.

Plant Health Issues

India maintains zero-tolerance standards for certain plant pests, such as weed seeds and ergot, that do not appear to be based on risk assessments and that constrain U.S. grain and pulse exports. Bilateral discussions to resolve these issues, including at the senior official level, have achieved little success.

India requires methyl bromide (MB) fumigation at the port of origin as a condition for the importation of pulses. This type of fumigation cannot be performed below 5°C/40°F, limiting its use at many U.S. facilities, so the United States requested that India permit entry of U.S. peas and pulses subject to inspection and fumigation at the port of arrival, to which India acquiesced. India has granted a series of extensions allowing MB fumigation on arrival but has offered no permanent solution. In April 2018, the Indian Government confirmed the extension of the fumigation-upon-arrival waiver for U.S. peas and pulses, including chickpeas, indefinitely until both parties come to an understanding on the U.S. systems-based approach. The U.S. walnut industry requested a change to India's fumigation protocol to allow sulfuryl fluoride and phosphine in place of MB. However, the United States is still awaiting official approval of such change through notification in the Indian Gazette. Similarly, the United States is seeking approval for an alternative treatment to MB fumigation for U.S.-origin in-shell pecans, recommending either a cold treatment or a hot water bath treatment for in-shell pecans. The United States is awaiting a response from the Indian Ministry of Agriculture & Farmers Welfare's Directorate of Plant Protection, Quarantine and Storage as well as approval through notification in the Indian Gazette.

GOVERNMENT PROCUREMENT

India lacks an overarching government procurement policy and, as a result, its government procurement practices and procedures vary among different ministries within the central government. India provides procurement preferences to Indian micro-, small, and medium-sized enterprises and to state-owned enterprises. In all defense procurements, India's offset program requires companies to invest 30 percent or more of the acquisition cost of contracts above the threshold value in Indian-produced parts, equipment, or services, which continues to be challenging for U.S. manufacturers, including those of high-technology equipment, to meet given changing rules and limited opportunities.

In June 2020, the Department of Promotion of Industry and Internal Trade issued the Public Procurement (Preference to Make in India) Order 2020, a revision to the 2017 procurement order mandating preferences

for domestically manufactured goods, including defense procurement. The rule was updated again in September 2020, instructing each ministry or department to draft a follow-on order that favors domestic suppliers, and permits mandated percentages to be applied to benefit Indian suppliers.

The August 2020 changes to General Financial Rules section 161 state that foreign tender enquiries may not be accepted under \$31 million and further reductions of the minimum requirements related to domestic production cannot be implemented without permission of an appropriate authority. Furthermore, companies must use a third-party or internal auditor to certify the amount of domestic production that will be used if the value is equal to or greater than 10 crore or 100 million rupees (approximately \$1.19 million).

In September 2020, the Ministry of New and Renewable Energy released an order reserving a list of 80 products, including solar cells, modules, wind turbines, and electrical equipment for hydro and biogas, for bidding only by suppliers with 50 percent or more domestic content, irrespective of the purchase value. The Ministry of Power also reserved 78 products for domestic procurement through a similar order published in June 2021.

In April 2020, MEITY issued a notification that entities must procure cellular mobile phones only from domestic suppliers meeting the domestic production requirement of 50 percent, irrespective of purchase value. A September 2020 MEITY notification specified the mechanism for calculation of domestic production for: (1) desktop PCs; (2) thin clients; (3) computer monitors; (4) laptop PCs; (5) tablets; (6) dot matrix printers; (7) contact and contactless smart cards; (8) LED products; (9) biometric access control/authentication devices; (10) biometric fingerprint sensors; (11) biometric iris sensors; (12) servers; and (13) cellular mobile phones.

India is not a party to the WTO Agreement on Government Procurement (GPA), but has been an observer to the WTO Committee on Government Procurement since February 2010.

INTELLECTUAL PROPERTY PROTECTION

India remained on the Priority Watch List in the [2024 Special 301 Report](#) due to inconsistent progress on long-standing intellectual property (IP) concerns raised in prior Special 301 Reports. The [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List) includes physical and online marketplaces located in or connected to India. The United States and India continue to engage on a range of IP challenges facing U.S. companies in India with the intention of creating stronger IP protection and enforcement in India.

In the field of copyright, policy uncertainty and ineffective enforcement remain concerns. Copyright holders continue to report high levels of piracy, particularly online. Court cases and government memoranda raise concerns that a broad range of published works will not be afforded meaningful copyright protection. In a positive development, in August 2024, the Department for Promotion of Industry and Internal Trade (DPIIT) under Ministry of Commerce and Industry, withdrew its September 2016 office memorandum that extended the scope of statutory licensing under Section 31D of the Indian Copyright Act, 1957 to Internet transmissions. However, concerns remain regarding the possible amending of Section 31D to require statutory licensing for interactive transmissions, as recommended by the Department Related Parliamentary Standing Committee on Commerce in July 2021, which would have severe implications for copyright holders who make their content available online. The breadth of some licenses available under Chapter VI of the Indian Copyright Act and overly broad exceptions for certain uses have raised concerns regarding the strength of copyright protection in India. Amendments to the Indian Copyright Act needed to bring India's domestic legislation into alignment with international best practices are absent. Despite India's commitment at the TPF Ministerial meetings in November 2021 and January 2024 to comply with

the World Intellectual Property Organization (WIPO) Performances and Phonograms Treaty and WIPO Copyright Treaty, collectively known as the WIPO Internet Treaties, to which India acceded in 2018, amendments to the Indian Copyright Act are still needed to fully implement the WIPO Internet Treaties and bring India's domestic legislation into alignment with international best practices. Furthermore, stakeholders have reported continuing problems with unauthorized file sharing of video games, signal theft by cable operators, commercial-scale photocopying and unauthorized reprints of academic books, and circumvention of technological protection measures. While the High Courts at Delhi, Madras, Calcutta, and Himachal Pradesh have established their own dedicated IP Divisions to handle IPR matters, the need for such dedicated IP divisions in other High Courts and additional staffing and sensitization continues.

In the field of patents, several factors negatively affect stakeholders' perception of India's overall IP regime, investment climate, and innovation goals. As of December 31, 2024, patent applicants reported that they continue to face long waiting periods to receive patent grants, and excessive reporting requirements. While Patents (Amendment) Rules, 2024 include provisions that are likely to increase the efficiency of the patent regime and reduce current burdens on the patent applicants, concerns remain with respect to the currently amended "Statement of Working of Patents" (Form 27). Among other concerns, the potential threat of patent revocations and the procedural and discretionary invocation of patentability criteria under the Indian Patents Act impact companies across different sectors. In the pharmaceutical sector, the United States continues to monitor the restriction on patent-eligible subject matter in Section 3(d) of the Indian Patents Act and its impacts. Pharmaceutical stakeholders continue to raise concerns as to whether India has an effective system for protecting against unfair commercial use and unauthorized disclosure of undisclosed test or other data generated to obtain marketing approval for pharmaceutical and agricultural chemical products. U.S. stakeholders also express concerns as to whether India has an effective mechanism for the early resolution of potential pharmaceutical patent disputes.

India's overall IP enforcement remains inadequate. U.S. brand owners continue to report excessive delays in trademark opposition proceedings and a lack of quality in examination. Finally, U.S. and Indian companies have identified trade secret protection as a growing concern and expressed interest in India eliminating gaps in its trade secrets regime, such as through the adoption of comprehensive trade secret legislation. Little has been done towards the adoption of a standalone trade secret law, despite being highlighted in India's 2016 National IPR Policy, and recommended by the Department Related Parliamentary Standing Committee on Commerce and Law Commission of India in July 2021 and March 2024, respectively. As of December 31, 2024, no civil or criminal laws in India specifically address the protection of trade secrets.

SERVICES BARRIERS

Foreign investment in businesses in certain major services sectors, including financial services and retail, is subject to limitations on foreign equity, and foreign participation in professional services is significantly restricted. In addition, barriers to digital trade and electronic commerce, such as those imposed on electronic payment providers, have secondary effects on a wide variety of services.

Audiovisual Services

The Telecommunications Regulatory Authority's regulations on content aggregation and distribution do not allow bundling of channels or certain types of distribution partnerships. Content aggregation is commonly used internationally, as it allows niche and foreign content to be bundled and sold by domestic partners without a large local presence or sales force. These regulations cause difficulties for small and international content providers because these companies must interact with each of the 60,000 local cable operators, radio broadcasters, and television broadcasters they seek to target.

There are also some limits on foreign ownership in the audiovisual and media sectors, namely FM radio (49 percent), newspapers (26 percent), and digital media firms that upload and stream news and current affairs (26 percent).

Distribution Services

India imposes certain restrictions on foreign direct investment (FDI) in the retail industry. With respect to single-brand retail, foreign investments exceeding 51 percent are contingent on, among other things, a requirement to source at least 30 percent of the value of products sold from Indian sources. India has modified the requirements in recent years, including by allowing firms to offset the sourcing requirement by sourcing products from India for global supply chains.

India caps foreign ownership in the multi-brand retail sector at 51 percent and leaves to each Indian state the final decision on whether to authorize such FDI in its territory. In addition, where FDI is allowed, it is subject to conditions, including: (1) a minimum investment of approximately \$100 million, at least 50 percent of which must be in “back-end infrastructure” (e.g., processing, distribution, quality control, packaging, logistics, storage, and warehousing); (2) a requirement to operate only in cities that have been identified by the relevant state government; and (3) a requirement to source at least 30 percent of the value of products sold from a subset of Indian enterprises. These conditions on foreign investment diminish the commercial incentive for multi-brand retailers seeking to invest in India’s retail sector.

India prohibits foreign investment in business-to-consumer (or “inventory-based”) electronic commerce. In February 2019, India implemented regulations that expressly prohibit subsidiaries of foreign-owned marketplace-based electronic commerce sites from selling products on their parent companies’ sites. The only exceptions for FDI in inventory-based electronic commerce are for food-product retailing and single-brand retailers that meet certain conditions, including the operation of physical stores in India.

Financial Services

Banking Services

Although India allows privately held banks to operate in the country, the banking system is dominated by state-owned banks, which account for approximately 60 percent of total market share and 67 percent of all Indian bank branches. Most privately owned banks are Indian owned, with foreign banks constituting less than 0.6 percent of the total bank branches in India. Under India’s branch authorization policy, foreign banks are required to submit their internal branch expansion plans on an annual basis, and their ability to expand is hindered by non-transparent limitations established by the Indian Government on branch office expansion. India caps foreign ownership of private banks at 74 percent and public banks at 20 percent. Foreign ownership of infrastructure companies in the securities markets (such as stock exchanges, commodity exchanges, depositories, and clearing corporations) is limited to 49 percent.

Insurance Services

India maintains an unlevel playing field in the insurance market. State-owned companies are not subject to the same law and prudential supervision as private firms and enjoy various guarantees from the government. Currently, the Indian Government maintains an explicit sovereign guarantee on every life insurance corporation (LIC) policy. As a result, many customers choose to buy LIC policies over those offered by private insurers, giving LIC an unfair competitive advantage.

In March 2021, India passed the Insurance (Amendment) Bill, 2021, which removed restrictions on foreign ownership and control of Indian insurance companies and increased the maximum foreign investment allowed from 49 percent to 74 percent. According to India's 2025 Union Budget, India will raise its FDI cap on the insurance sector from 74 percent to 100 percent. While this represents progress, it still is not clear if India will remove safeguards instituted in 2021. These safeguards require a majority of board members to be Indian residents and, if an insurer is incorporated or domiciled outside of India, to maintain a higher solvency requirement for foreign-invested insurers. These requirements also apply to any insurer incorporated in India that has at least 33 percent of its capital owned by investors domiciled outside India or 33 percent of the members of the governing body domiciled outside India.

In 2015, the Insurance Regulatory and Development Authority of India (IRDAI) issued a revision to its regulations governing the provision of reinsurance services in India. The regulations afforded Indian reinsurers a mandatory first order of preference (or right of first refusal) for reinsurance business in India. In 2017, the Reinsurance Experts Committee unanimously recommended that IRDAI implement a waiver process for life insurance products, which it did in 2019. Non-life reinsurance remains subject to a two-step procedure where foreign firms can offer terms to cedents, but every cedent must then first offer the best terms obtained to Indian reinsurers. This results in unequal treatment for foreign reinsurers and consolidates risk in a small number of Indian reinsurers, which is counter to global best practices of global diversification of risk.

Electronic Payment Services

The United States has continued to raise concerns relating to informal and formal policies with respect to electronic payments services that appear to favor Indian domestic suppliers over foreign suppliers. In November 2020, the state-owned National Payments Corporation of India (NPCI) announced a market share limitation of 30 percent (measured by transactions) for foreign electronic payment service suppliers processing online payments made through India's Unified Payment Interface, which is owned and operated by NPCI. Foreign digital payment companies were given until January 2023 to ensure their market shares met the 30 percent limit, but the Ministry of Finance has not enforced this market share ceiling.

The United States also has expressed concern over plans to expand the adoption of a National Common Mobility Card (NCMC) that only uses a domestic proprietary QR code standard, which disadvantages foreign suppliers. India has not yet shared the domestic qSPARC standard, effectively prohibiting firms from participating in the roll-out of the NCMC.

Professional Services

Legal Services

Membership in the Bar Council of India (BCI), the governing body for the legal profession, is mandatory to practice law in India and is limited to Indian citizens. In 2023, the BCI notified "Rules for Registration and Regulation of Foreign Lawyers and Foreign Law Firms in India, 2022" in the Gazette of India, creating the first step toward allowing foreign law firms to open offices in India for the practice of international and foreign-country law. However, U.S. industry has reported that the BCI has not yet released the forms necessary for foreign law firms to apply for registration under the new rules. Stakeholders have also commented that the rules are limited in scope and ambiguous—including a clarification issued by the BCI shortly after the notification that appears to restrict international law firms to advising non-Indian clients only—which would limit the impact of the new rules on foreign firms' ability to operate in India.

Accounting Services

Foreign accounting firms face obstacles to entering the Indian accounting services sector. Only accounting firms structured as partnerships under Indian law may supply financial auditing services, and only Indian-licensed accountants may be equity partners in an Indian accounting firm.

Telecommunications Services

Satellite Services

India's Ministry of Information and Broadcasting maintains a preference for Indian satellites to provide capacity for direct-to-home (DTH) subscription television services. In practice, DTH licensees have not been permitted to contract directly with foreign satellite operators and have encountered procedural delays when they have sought to do so. Rather, DTH licensees must procure satellite capacity through Antrix, the commercial arm of the Indian Space Research Organization (ISRO), which in turn only permits foreign procurements if it does not have available capacity on Indian satellites. When ISRO does permit the use of foreign satellite capacity, the foreign satellite operator must sell the capacity to ISRO, which in turn resells the capacity to the end-user with a surcharge. The United States continues to encourage India to adopt an "open skies" satellite policy to allow consumers the flexibility to select the satellite capacity provider that best suits their business requirements and to promote market access for foreign satellite service providers.

Roaming

In March 2024, the Telecom Regulatory Authority of India (TRAI) issued a recommendation to India's Department of Telecommunications (DoT) that it mandate all machine-to-machine (M2M) devices utilizing embedded subscriber identity module (eSIM) cards with international roaming arrangements be switched to domestic mobile network operators within six months, which may impose additional costs on manufacturers and users of M2M devices by requiring removal or replacement of eSIM cards or rendering affected devices inoperable if their eSIM cards are unable to be removed. Such a mandate would not align with the general international practice to permit companies to enter into global roaming contracts for their devices and would prevent U.S. telecommunications operators from providing such services in India. The United States urged DoT to reconsider the TRAI recommendation and continued to engage with India on this issue.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Electronic Payment Services

In 2018, the Reserve Bank of India (RBI) implemented a requirement that all payment service suppliers store all information related to electronic payments by Indian citizens on servers located in India. RBI announced this rule without advance notice or input from stakeholders. In 2019, RBI stated the requirement to store payments data locally also applied to banks operating in India. Foreign firms assert that the data storage requirement hampers the ability of service suppliers to detect fraud and ensure the security of their global networks.

Internet Services

In February 2021, the Indian Government published regulations, the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (IT Rules), to govern a wide range of Internet-based service providers, particularly those that operate social media, messaging, and news and

entertainment content in India. The IT Rules require compliance by “significant” social media intermediaries and platforms with five million registered users or more. The IT Rules impose a number of requirements that U.S. stakeholders have identified as concerning. For example, the IT Rules impose personal criminal liability on individual employees in cases where a firm is not in compliance with the rules. The IT Rules also include imposition of impractical compliance deadlines and take-down protocols. Since 2021, U.S. firms have been subject to an increasing number of takedown requests for content and user accounts related to issues that appear politically motivated.

Shutdowns and Other Threats to the Open Internet

India has conducted a number of localized shutdowns of the Internet in recent years. These shutdowns restrict access to information and services, disrupting commercial operations, and thereby undermining a free and open Internet and impeding trade in the digital economy. The United States continues to monitor the impact of these events on U.S. trade and investment, including services exports.

Digital Services Taxation

Effective 2016, India began assessing a six percent “equalization levy,” a withholding tax on gross revenue received by non-Indian residents for online advertisements and related services provided to Indian purchasers, with the ostensible goal of equalizing the playing field between resident service suppliers and non-resident service suppliers. In 2020, the scope of the equalization levy was expanded to introduce a two percent tax on gross revenue received by non-Indian suppliers of “e-commerce supplies or services”—covering a wide range of digital services, including cloud services and online gaming services—to Indian customers. The two percent tax explicitly excluded all Indian companies.

The United States and India are among the 137 member jurisdictions to have joined the October 8, 2021, OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting [Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy](#), which called for all Parties to commit to not introduce digital services taxes (DSTs) in the future. On November 24, 2021, under the prior administration, the United States joined India in a joint statement on a transitional approach to India’s DST during the transitional period prior to implementation of Pillar 1. According to the statement, DST liability that accrued to India during the transitional period would be creditable in defined circumstances against future corporate income tax liability due under Pillar 1. In return, the Section 301 trade action initiated with respect to goods of India was not continued. The arrangement set out in the joint statement was extended to June 30, 2024. In the Finance (No. 2) Bill of 2024, India removed the two percent tax as of August 1, 2024. India’s six percent “equalization levy” remains in place; however, as of March 2025, India has initiated a process to remove it as well.

On January 20, 2025, the United States issued a White House Memorandum titled, “The Organization for Economic Co-Operation and Development (OECD) Global Tax Deal (Global Tax Deal).” The memorandum stated:

The Secretary of the Treasury and the Permanent Representative of the United States to the OECD shall notify the OECD that any commitments made by the prior administration on behalf of the United States with respect to the Global Tax Deal have no force or effect within the United States absent an act by the Congress adopting the relevant provisions of the Global Tax Deal.

On January 22, 2025, appropriate representatives of the Treasury Department provided notice to the Director of the Centre of Tax Policy and Administration at the OECD. On January 24, 2025, the U.S. Permanent Delegation to the OECD provided similar notice to the Secretary General of the OECD.

Data Localization

In August 2023, the Prime Minister signed the Digital Personal Data Protection Act (DPDPA), establishing a data privacy regime in India. In February 2025, India released draft implementing rules for the DPDPA, which impose potentially burdensome requirements on data fiduciaries, and require disclosures of personal data to the Indian Government. The draft rules also permit the Central Government to restrict cross-border data transfers to a specific country if the Government of India provides appropriate notification of such restrictions. The DPDPA may also allow for sectoral regulations or laws, such as sectoral data localization requirements if they are found to provide a greater degree of data protection.

SUBSIDIES

Agriculture Subsidies

India provides a broad range of subsidies and support to its agricultural sector, including credit subsidies, debt waivers, crop insurance, and subsidies for inputs (such as fertilizer, fuel, electricity, and seeds) at both the central government and state government levels. These subsidies, which are of substantial cost to the government, lower the cost of production for India's producers and have the potential to distort the market in which imported products compete. In addition, producers of 25 agricultural products benefit from the government's Minimum Support Price (MSP) program, which utilizes one of the most production- and trade-distorting types of support, market-price support. Rice and wheat account for the largest share of products procured under the MSP program and are stockpiled and distributed through India's public stockpiling system. India's announcement of MSPs can have the effect of providing a subsidy to the entire crop by setting a price floor for India's farmers. The prices are announced before the planting season. Therefore, the MSP bolsters planting decisions, resulting in overproduction, limited demand for imports, and artificial export competitiveness. In addition, in certain years and for specific products, states have provided additional incentives in the form of "bonuses" above the MSPs announced by the Government of India. From 2018 to present, several WTO Members have submitted seven counter notifications against India's MSP program, covering several of the 25 agricultural products benefiting from it, with a particular focus on sugar, rice, and wheat.

India's public food stockholding program is a large and complex series of programs designed to carry out multiple objectives. India's public stockholding programs are controversial because the government procures food grains and other commodities at guaranteed supported prices through MSP programs rather than at market prices. In the case of rice, in particular, India's excessive subsidization through market-price support has gone far beyond its domestic food security needs and has helped India secure its place as the top global exporter of rice, accounting for more than 40 percent of global rice exports in recent years. India has notified the WTO that it is exceeding its WTO agricultural subsidy limits for rice for the last four years, but it claims the breach is covered under the 2013 interim WTO Ministerial Decision on Public Stockholding for Food Security Purposes. India is leading efforts at the WTO for an expanded permanent solution on public stockholding, which would allow all WTO developing country Members to use unlimited market-price support for purchases of any products associated with a public stockholding program. While WTO Members can procure unlimited quantities of food for public stockholding at market prices and the number of WTO Members utilizing market-price support for procurement is limited, India and others have framed the issue as a food security issue. In addition, in the past, India has used export subsidies to reduce government-held stocks and has permitted exports of certain agricultural commodities (e.g., wheat) from government public-stockholding reserves at below the government's costs.

OTHER BARRIERS

Transparency

A lack of transparency continues to affect new and proposed laws and regulations, as well as a lack of uniform notice and comment procedures and inconsistent notification of these measures to the WTO. This, in turn, inhibits the ability of domestic and foreign stakeholders and foreign governments to provide input on new proposals or to adjust to new requirements. U.S. stakeholders continue to report that new requirements are issued with inadequate public notice and comment periods or inadequate consultation or notification at the WTO. The U.S. Government continues to raise concerns regarding uniform notice and comment procedures with the Indian Government bilaterally through the TPF and multilaterally in the WTO and other fora.

INDONESIA

TRADE AGREEMENTS

The United States–Indonesia Trade and Investment Framework Agreement

The United States and Indonesia signed a Trade and Investment Framework Agreement (TIFA) on July 16, 1996. The TIFA is the primary mechanism for discussions of trade and investment issues between the United States and Indonesia.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Indonesia's average Most-Favored Nation (MFN) applied tariff rate was 8 percent in 2023 (latest data available). Indonesia's average MFN applied tariff rate was 8.6 percent for agricultural products and 7.9 percent for non-agricultural products in 2023 (latest data available). Indonesia has bound 96.3 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 37.1 percent.

Over the last decade, Indonesia has progressively increased its applied tariff rates on a variety of goods, particularly those competing with locally manufactured products. These include electronic products, milling machines, chemicals, cosmetics, medicines, wine and spirits, iron wire and wire nails, and a range of agricultural products. While most tariffs on non-agricultural goods are bound at 35.5 percent, certain sectors such as automobiles, iron, steel, and select chemical products have tariffs that exceed 35.5 percent or remain unbound. In the agricultural sector, 99 percent of the products are bound above 25 percent, reflecting Indonesia's protectionist approach in these areas.

In a significant regulatory shift on January 1, 2020, Indonesia issued Minister of Finance (MOF) Regulation No. 199/2019, which lowered the price threshold for import duty exemptions on imported consumer goods (known as consignment goods) from \$75 to \$3. Certain types of books, bags, garments, and footwear are exempted from the regulation. Further regulatory changes occurred with the enactment of MOF Regulation No. 96/2023, effective on October 17, 2023, which replaced MOF Regulation No. 199/2019. MOF Regulation 96/2023 retained the lower price threshold for import duty exemptions on imported consumer goods and imposed new tariff rates on cosmetics, bicycles, watches, and other iron and steel goods. The new rates followed related regulations issued earlier in 2023. Currently, the types of products subject to Indonesia's new tariff rates are bags (15 percent to 20 percent), textile products (5 percent to 25 percent), footwear/shoes (5 percent to 30 percent), cosmetics (10 percent to 15 percent), iron and steel goods (zero percent to 20 percent), bicycles (25 percent to 40 percent), and watches (10 percent).

U.S. stakeholders raised concerns in 2024 regarding Indonesia's application of tariffs in excess of its WTO bound rates for certain categories of information and communication technology products. For example, despite having a WTO bound rate of zero percent for subheadings under Harmonized System (HS) code heading 8517, which include switching and routing equipment, Indonesia appears to be applying a 10 percent duty for these products.

MOF Regulation No. 9/2024 exempted Completely Built Up (CBU) and Completely Knocked Down (CKD) battery electric vehicles from the luxury goods sales tax. MOF Regulation No. 10/2024 exempted CBU and CKD electric vehicles from import duties if the EV maker builds or invests in a four-wheeled electric vehicle manufacturing facility in Indonesia.

Taxes

U.S. stakeholders continue to express concerns about the MOF's Directorate General of Taxes' tax assessment process. Such concerns include: a non-transparent and cumbersome auditing process; heavy fines for administrative mistakes; lengthy dispute mechanisms; and a lack of legal precedent within the Tax Court.

Indonesia's current excise tax regime imposes higher excise tax rates on imported spirits than on domestic spirits. For beverages with an alcohol content between 5 percent and 20 percent, the excise tax rate is 24 percent higher for imported products compared to domestic products. For beverages with higher alcohol content (between 20 percent and 55 percent), the excise tax is 52 percent higher for imported products compared to domestic products.

MOF Regulation No. 110/2018 increased withholding tax rates for 1,147 imported products, including consumer and luxury goods. The stated objective for this policy is to decrease Indonesia's current account deficit by reducing imports of these goods. MOF Regulation No. 41/2022, effective April 1, 2022, revised MOF Regulation No. 110/2018 and increased the number of imported items that are subject to prepayment of income tax at the time of import under Income Tax Article 22. The regulation adds HS codes for 716 categories of imported goods subject to income tax at a rate of 10 percent of the transaction value. The regulation lists 1,188 HS codes subject to income tax at a rate of 7.5 percent and seven HS codes with an income tax at a rate of 0.5 percent. Stakeholders have raised concerns that the process of claiming a return of excess pre-paid income tax at the time of import can take multiple years and considerable effort.

Non-Tariff Barriers

Import Licensing

Indonesia's import licensing system continues to be a significant non-tariff barrier for U.S. businesses due to numerous, overlapping import licensing requirements that impede market access. The Ministry of Trade requires all importers to obtain an import license as either an importer of certain goods for further distribution (API-U) or as an importer for their own manufacturing (API-P); importers are not permitted to obtain both types of licenses. An API-P import license allows companies to import finished products for market testing, after sales service purposes, or to "complete a product line," but only if the goods are new, consistent with the company's business license, and meet stringent import requirements. Under Government Regulation (GR) No. 29/2021, importers must obtain a business identification number (NIB) through Indonesia's Online Single Submission (OSS) processing system. The NIB serves as a valid import license and can serve in place of an API-U or API-P. Companies report that the OSS adds complexity and causes delays due to frequent technical issues and a lack of system integration (*i.e.*, national and local-level requirements are not fully synchronized within OSS). Although all interested parties should be able to apply for an advance ruling to ensure the treatment of imports upon arrival, in effect, Indonesia limits applications to only those with a NIB and API license.

Presidential Regulation No. 61/2024 (which replaced Presidential Regulation No. 32/2022) provides for a commodity balance policy, which makes the issuance of import licenses subject to an Indonesian Government assessment of supply and demand for a commodity. The policy was initially implemented for 2022 import licenses for five commodities (sugar, rice, fish, meat, and salt) at the end of 2021. The policy

was expanded in 2023 to cover 19 additional products, including some non-agricultural products. In early 2025, the policy was expanded to include garlic, and the government intends to include apples, grapes, and oranges in 2026.

Stakeholders have expressed concern regarding the Indonesian Government's lack of stakeholder consultation on this policy, expansion to new products with little notice, and inconsistent implementation, which has led to frequent delays in obtaining import licenses. Challenges are particularly great at the start of each calendar year, when companies are required to adapt quickly to new or revised regulations issued with little or no warning. Minister of Trade (MOT) Regulation No. 20/2021 and its amendment MOT Regulation No. 25/2022—which aim to synthesize all import-related regulations and serve as an “umbrella” regulation for the management of Indonesia's import policies—also require that import licenses for certain commodities be issued based on the commodity balance policy. Indonesia has not provided a comprehensive list of products that will be subject to this policy in the future. The United States remains concerned about the lack of transparency, import quantity restrictions that do not reflect market demand, and the repeated delays in importers receiving licenses, especially at the start of each calendar year.

MOT Regulation 36/2023, effective March 10, 2024, established requirements to obtain import approval for nearly 4,000 HS codes. To obtain the approval, importers must disclose substantial amounts of commercial data and, for certain products, obtain an additional “Technical Approval” from the government. Stakeholders broadly criticized MOT Regulation 36/2023 and its new requirements as onerous and unclear, and unresolved by subsequent amendments MOT Regulations 3/2024 and 7/2024. Stakeholders pointed to MOT Regulation 36/2023 as causing a backlog of containers at major ports in Indonesia in early May 2024. In response, Indonesia issued MOT Regulation 8/2024 on May 17, 2024, which removed the “Technical Approval” requirements and relaxed import licensing for most products. MOT Regulation 36/2023, however, remains in place for iron and steel products, tire, and other upstream chemicals, as well as some textile-based products (*e.g.*, medical masks).

Agricultural Products

Indonesia maintains complex and burdensome licensing regimes for the importation of horticultural products, animals, and animal products. In 2013, the United States challenged Indonesia's restrictions under the WTO's dispute settlement procedures because Indonesia repeatedly failed to address U.S. Government concerns. On December 22, 2016, the WTO issued the panel report, finding for the United States and co-complainant New Zealand on all 18 claims and finding that Indonesia was applying import restrictions and prohibitions that were inconsistent with WTO rules. The WTO Appellate Body subsequently upheld the panel's findings.

Since the Appellate Body report, Indonesia has amended its import licensing requirements several times. Through the issuance of Minister of Agriculture (MOA) Regulation No. 2/2020, imports of horticultural products from countries with a food safety system recognized by the MOA, such as the United States, are exempt from the requirement to provide certain quality and safety certificates. This regulation also extends the validity of horticultural product import licenses for 60 days into the following calendar year. However, MOA Regulation No. 5/2022 affirms the requirement for 29 imported horticultural products to have an import recommendation (RIPH). MOT Regulation No. 8/2024 does not include the RIPH requirement and provides that import licenses will instead be issued on the basis of available supply and demand data, if the commodity balance for a particular product has not yet been determined. In practice, this could limit import licenses based on other regulatory requirements, including requirements for a letter stating the availability of adequate cold storage facilities for horticultural products, proof of control of refrigerated warehouses (cold storage), and a distribution plan or production plan.

Quantitative Restrictions

In addition to covering some agricultural products, including sugar, under the commodity balance policy, as noted above, Indonesia exercises stringent control over the importation of these commodities through annual quantitative import limits based on domestic production and consumption forecasts. These import restrictions are designed to protect local industries but have significant implications for market access for U.S. and other foreign exporters.

For example, sugar refineries are only allowed to import raw sugar to produce refined sugar for the food and beverage industry, but only up to a Government of Indonesia (GOI)-predetermined annual allocation, and sugar mills are only authorized to import raw sugar to offset idle milling capacity. While some food and beverage companies are permitted to import limited volumes of sugar directly, these imports are subject to strict conditions, including a requirement to prioritize the use of refined domestic sugar before resorting to imports. This policy effectively limits flexibility for companies, constraining their ability to source sugar competitively on the global market.

Pharmaceutical Market Access

The U.S. pharmaceutical industry has raised concerns regarding the opportunity for meaningful stakeholder engagement in Indonesia's pharmaceutical procurement system. Stakeholders specifically report a lack of transparency with regards to how pharmaceutical products are selected for listing on Indonesia's online public procurement catalog and whether there are clear criteria governing how long such products remain listed.

MOH Regulation No. 1010/2008 requires a foreign pharmaceutical company either to manufacture locally or to entrust another company that is already registered as a manufacturer in Indonesia to obtain drug approvals and import permits on its behalf.

Presidential Regulation No. 10/2021 limits traditional medicine companies to domestic ownership only, effectively excluding foreign companies from this market segment.

In January 2023, the Indonesian Government issued Presidential Decree No. 6/2023, which requires that all medicines, biological products, and medical devices sold in Indonesia, along with their manufacturing methods (including associated materials, manufacturing processes, storage, and packaging) be halal certified. The regulation requires Class D medical devices to be halal certified by October 2039. Stakeholders have expressed concern over the administration of the system, which they contend has lacked adequate consultative processes and does not follow internationally negotiated halal systems.

State Trading

Presidential Regulation No. 66/2021 established Indonesia's National Food Agency (BAPANAS). BAPANAS as a minister-level institution that directly reports to the Indonesian President and has the authority to coordinate all food- and agriculture-related ministries and agencies, such as the MOA, MOT, MOI, and the state-owned procurement body the Bureau of Logistics (BULOG).

Indonesia imposes restrictions on feed corn imports, limiting the right to import to BULOG. However, some corn imports intended for starch manufacturing are allowed. As Indonesia's sole importer of feed corn, BULOG prioritizes corn distribution to small-holder poultry farmers. The import volume is set based on the level of domestic feed production and subject to the commodity balance policy. Feed millers other than the small-holders who receive corn from BULOG are obligated to use locally-produced feed corn.

They have expressed concern that they are unable to obtain feed corn in quantities sufficient to maintain the poultry industry's growth.

BULOG also maintains exclusive authority to import standard 15 percent to 25 percent broken rice. Indonesia has cited food security and price management considerations as the principal objectives of this policy. BULOG is not allowed to import rice before, during, or immediately after the main harvest period. Private firms are only allowed to import 100 percent broken rice for processing or specialty rice varieties, such as basmati and jasmine rice, for retail and food service. Importers of 100 percent broken and specialty rice must first obtain an importer identification number from MOT and an import recommendation from MOA before obtaining import licenses from MOT.

Presidential Regulation No. 125/2022 on Government Food Reserves states that BULOG is appointed as Indonesia's sole importer of rice, feed corn, and soybeans for government food reserves. Additionally, through MOT Regulations No. 57/2017 and No. 7/2020, and BAPANAS Regulation No. 5/2022, the Indonesian Government sets farmer-level and consumer-level reference prices for corn, soybeans, sugar, shallots, beef, chicken, eggs, and cooking oil, respectively. According to these regulations, BULOG and other state-owned enterprises can intervene in the market when prices are above or below threshold targets. In 2024, BAPANAS tasked BULOG with importing 750,000 metric tons (MT) of feed corn, of which 252,000 MT arrived by August 2024. BAPANAS also tasked BULOG to import soybeans for 2024 government soybean reserves.

On November 5, 2024, the President issued Regulation No. 147 of 2024 which assigned Coordinating Ministry for Food Affairs (CMFA) to replace Coordinating Ministry for Economic Affairs (CMEA) in overseeing and coordinating the implementation of the commodity balance process for agricultural commodities. CMFA will also oversee the procurement of food commodities such as rice and beef to address shortages in production and to meet consumer demand during festive months.

Customs Barriers and Trade Facilitation

U.S. firms regularly report challenges with Indonesian customs practices, particularly with assessment of import duties. Indonesian customs officials often rely on a schedule of reference prices rather than using transaction values as the primary method of valuation, as required by the WTO Customs Valuation Agreement (CVA). Further, U.S. exporters report differing valuation determinations in different regions for the same product.

In addition, MOT Regulation No. 16/2021 requires pre-shipment verification by designated companies (known in Indonesia as surveyors) for a broad range of products. These include: electronics; textiles and footwear; toys; food and beverage products; and, cosmetics. As of December 31, 2024, Indonesia had yet to notify these measures to the WTO pursuant to the WTO Agreement on Preshipment Inspection.

MOF Regulation No. 190/PMK.04/2022, in force since January 14, 2023, establishes customs operations for intangible goods such as electronic transmissions or downloads, including procedural requirements and classification under Chapter 99 of the Indonesian tariff schedule. Stakeholders report that the regulation creates significant administrative burdens on U.S. industries by imposing a new paperwork retention requirement that is undefined and uncertain. The United States has been raising its concerns about this measure at the WTO Committee on Trade Facilitation since June 2023.

With regard to penalties assessed for breaches of customs law, Indonesian customs agents can receive rewards of up to 50 percent of the value of the item seized or of the duty-amount owed. Under the WTO Trade Facilitation Agreement, Indonesia must avoid creating incentives for the assessment or collection of penalties greater than those commensurate with the degree and severity of the breach. Indonesia is one of

only a few major U.S. trading partners that still has such an incentive system. The system is a cause of concern due to the potential for corruption and the cost, uncertainty, and lack of transparency associated with the customs penalty and reward system.

Indonesia notified its customs valuation legislation to the WTO in September 2001, but has not yet responded to the WTO Checklist of Issues that describes how the Customs Valuation Agreement is being implemented.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Standards and Testing Requirements

MOI Regulation No. 24/2013, as amended by MOI Regulations No. 55/2013 and No. 29/2018, requires that imported toys be tested by a laboratory with a mutual recognition agreement (MRA) with one of Indonesia's product certification bodies. The United States is not aware of any existing MRAs, leaving imported toys subject to mandatory testing in Indonesia in order to obtain certification. U.S. stakeholders have expressed concern about the discriminatory frequency of testing under these regulations, which is required on a per shipment basis for imports but only every six months for domestically produced products.

MOI Regulation No. 29/2018 introduced an alternative procedure that allows importers to obtain a certification through product testing and an audit of production processes. Indonesia notified this measure to the WTO in November 2018. U.S. manufacturers remain concerned by the lack of clarity about how products can enter the market under the alternative procedure.

Government Regulation (GR) No. 28/2021 requires in-country conformity assessment testing for a wide variety of consumer goods including toys, electronics, and home appliances. GR No. 28/2021 requires that all steps of product testing be conducted by an Indonesian national residing in Indonesia, further complicating product sample collection for products that use a per shipment testing scheme. The implementing regulation to GR No. 28/2021, MOI Regulation No. 45/2022, entered into force in November 2022, two months prior to its notification to the WTO in January 2023. U.S. stakeholders have reported that the requirements under GR No. 28/2021 have made conformity assessment processes more difficult.

Halal Import Requirements

Under Law No. 33/2014, on Halal Product Assurance, halal certification is mandatory for food, beverages, pharmaceuticals, cosmetics, medical devices, biological products, genetically engineered products, consumer goods, and chemical products sold in Indonesia. All business processes, including production, storage, packaging, distribution, and marketing, are covered by this law. As Indonesia continues to develop regulations to implement this law, U.S. stakeholders are concerned that Indonesia finalized many such regulations before notifying the draft measures to the WTO and taking stakeholder comments into account, as required under the WTO Agreement on Technical Barriers to Trade and as recommended by the WTO Committee on Technical Barriers to Trade (WTO TBT Committee). Indeed, over the past five years, Indonesia has demonstrated a pattern of notifying Halal Law implementing measures to the WTO only after they have already entered into force. This includes some of the key implementing measures that are detailed below.

Minister of Religious Affairs (MORA) Decree No. 748/2021 outlines a broad range of products requiring halal certification. This regulation was amended by MORA Decree No. 944/2024 for the food and beverage category. Other product types, such as drugs, cosmetics, genetically engineered products, chemical products, biology products, and consumer goods still refer to MORA Decree No. 748/2021. MORA Decree No. 1360/2021, also known as the halal “positive list,” sets out a list of foods, ingredients, additives, and other materials that are not required to obtain halal certification. It is a living document, meaning it can be amended without requiring the issuance of a new decree. MORA Decree No. 816/2024 identifies specific food and beverage products (by HS code) required to be halal certified.

Halal Product Assurance Organizing Agency (“BPJPH”) Regulation No. 3/2023 concerns the accreditation of foreign halal certifying bodies (HCBs) and the conformity assessments they must complete. The United States is concerned that the accreditation regulations create redundant document requests, increasingly onerous requirements for auditors to qualify, and an arbitrary scope-to-auditor ratio policy, all of which are increasing costs and unnecessarily delaying accreditation procedures for U.S. HCBs seeking to become accredited to issue halal certificates for U.S. exports to Indonesia. The final step in obtaining recognition is for each HCB to conclude a Mutual Recognition Agreement (MRA) with BPJPH and receive a certificate of accreditation.

GR No. 39/2021 maintains the original timeline for phasing in mandatory halal certification, including for: food and beverage products (by October 2024); traditional medicines and food supplements, cosmetics, chemical products, and genetically modified organisms, wearable clothing items, household appliances, office products, and class A medical devices (by October 2026); over-the-counter medicines and class B medical devices (by October 2029); and prescription medicines and class C medical devices (by October 2034). In January 2023, Presidential Decree 6/2023, on Halal Certification of Medicines, Biological Product, and Medical Devices, was issued, requiring class D medical devices to be halal certified by October 2039. On October 18, 2024, the GOI issued GR No. 42/2024, amending GR No. 39/2021 and extending the deadline “up to” October 17, 2026, for imported food and beverages (with certain caveats). The regulation provides for the Minister of Religious Affairs to determine the precise date for the extension.

The United States continues to raise concerns with the implementing regulations for Law No. 33/2014 at the WTO TBT Committee and WTO Committee on Trade in Goods.

Product Testing

Indonesia’s National Agency of Drug and Food Control (BPOM) sets out requirements for testing of heavy metals in cosmetics in its Regulation No. 12/2019, which replaced Regulation No. 17/2014. A 2016 BPOM Circular Letter further clarified these requirements, mandating that they be fulfilled via a certificate of analysis, which remains valid for one year. In practice, despite the certificate’s year-long validity, Indonesia’s Directorate General of Customs and Excise requires that each individual shipment be accompanied by a separate, distinct test, in effect adding a repetitive layer of compliance. These measures appear to be intended to limit imports.

Sanitary and Phytosanitary Barriers

Facility Registration for Animal-Derived Products

Indonesia’s animal health and husbandry law (Law No. 18/2009, as amended by Law No. 41/2014) requires companies that export to Indonesia animal-derived products, such as meat, dairy, and eggs, to complete a pre-registration process with the MOA. The law allows imports of these products only from facilities that Indonesian authorities have individually approved. MOA Regulation No. 15/2021 maintains this

requirement and adds a new provision requiring raw materials used for the manufacturing of animal-derived products to originate from facilities that have already been approved by Indonesia.

Under MOA Regulation No. 15/2021, all establishments seeking to export animal products to Indonesia must undergo inspections to obtain eligibility certificates. As part of this process, and based on GR No. 28/2023, the MOA charges fees for a desk audit of application materials, an on-site facility inspection, and a post-audit desk review. Among all trading partners' registration requirements, U.S. exporters identify Indonesia's as the most burdensome. Dairy production facilities are required to pass lengthy technical desk audits but not the on-site audits required of other animal products. Other facilities (*i.e.*, meat and rendering) are required to undergo on-site facility inspections and post-audit desk reviews. Indonesia charges fees for transportation and lodging costs for MOA officials conducting inspections in the United States. In total, companies seeking to export to Indonesia could pay more than \$10,000 for each facility's onsite inspection and post-audit desk review. Many of the U.S. companies affected are small businesses that report that the fee is a significant barrier.

Recognition of the U.S. Food Safety Control System for Fresh Foods of Plant Origin (FFPO)

The GOI currently recognizes the U.S. Food Safety Control System for Fresh Food of Plant Origin (FFPO), which exempts U.S. exporters of covered products from many of the GAP, GHP, and statement letter requirements faced by non-recognized countries. This FFPO recognition was first granted in 2009 and must be renewed every three years. The current recognition is set to expire on January 16, 2027. In January 2024, U.S. apples were unjustifiably excluded from the scope of the FFPO recognition renewal in 2023 due to a questionable non-compliance finding in one shipment of U.S. apples on July 26, 2022. The U.S. Government and the importer were only notified of the finding several months later. After months of high-level engagement between the United States and Indonesia, on October 16, 2024, the Indonesian Quarantine Authority (IQA) officially confirmed it reinstated apples to the list of U.S. Fresh Foods of Plant Origin (FFPO) recognition under IQA Decree No. 8014/2024. With the reinstatement of apples, Indonesia now recognizes the food safety of 79 types of U.S. FFPO products. However, prior to January 2024, Indonesia previously recognized 88 commodities. IQA removed nine FFPOs, including carrots, melons, pecans, and spinach, from the scope of the recognition due to the United States not having previously exported these products to Indonesia in substantial quantities, not due to science-based food safety findings.

GOVERNMENT PROCUREMENT

Indonesia grants special preferences to encourage domestic sourcing and to maximize the use of domestic production in government procurement. It also instructs government departments, institutes, and corporations to utilize domestic goods and services to the maximum extent feasible. Presidential Regulations No. 54/2010 (as amended by Regulation No. 12/2021) and No. 38/2015 both require procuring entities to maximize domestic production in procurement, use foreign components only when necessary, and designate foreign contractors as subcontractors to local companies. Both regulations provide general minimum requirements (40 percent under Regulation No. 12/2021) for domestic production and service provision. Depending on the sector or nature of the project, ministries with authority over the project may impose additional restrictions or requirements.

Specific to the medical device sector, in 2021 with the aim of increasing domestic production, the Indonesian Government suspended imports of 79 medical device product categories from the government's electronic catalog (e-Katalog) with minimal notice and without prior stakeholder consultation. Since that time, U.S. stakeholders have frequently raised concerns about their products being withheld from public hospital purchases under the e-Katalog and requested the Indonesian Government allow a sufficient grace

period for the transition to local production, assuring patient access to safe and high-quality medical devices.

Indonesia's 2012 Defense Law and Presidential Regulation No. 76/2014 mandate a priority preference for domestic materials and components in defense procurement, requiring defense agencies to prioritize domestically produced goods and services whenever available. In addition, when an Indonesian Government entity procures from a foreign defense supplier due to lack of available products from an Indonesian supplier, there is a requirement for trade balancing offsets. These offsets may take various forms, including the incorporation of domestic production, production offsets, technology transfer, or a combination of these elements. While this regulatory framework seeks to bolster opportunities for local industry, the framework also poses challenges for foreign defense companies, which must navigate complex offset obligations in order to participate in the Indonesian market.

Indonesia is not a Party to the WTO Agreement on Government Procurement (GPA), but has been an observer to the WTO Committee on Government Procurement since October 2012.

INTELLECTUAL PROPERTY PROTECTION

Indonesia remains on the Priority Watch List in the [2024 Special 301 Report](#). Although Indonesia has recently taken steps to improve intellectual property (IP) protection and enforcement, including expanding an IP enforcement task force and increasing efforts to address online piracy, significant concerns remain.

Widespread copyright piracy and trademark counterfeiting (including online and in physical markets) are key concerns. The Mangga Dua Market in Jakarta continues to be listed in the [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List), along with multiple online Indonesian marketplaces. Lack of enforcement remains a problem, and the United States urges Indonesia to utilize the IP enforcement task force to improve enforcement cooperation among relevant law enforcement agencies and ministries. The United States also continues to encourage Indonesia to provide an effective system for protection against the unfair commercial use, in addition to unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical and agricultural chemical products. The United States also remains concerned about Indonesia's law regarding geographical indications.

In March 2023, Indonesia amended its 2016 Patent Law through the Omnibus Law on Job Creation to modify requirements for patents to be worked in Indonesia so that the requirements can be met by importation or licensing. The United States had urged Indonesia to undertake a more comprehensive amendment to the 2016 Patent Law to address remaining concerns about the Patent Law, including by clarifying the patentability of inventions that incorporate computer programs and by clarifying how applicants can comply with disclosure requirements for inventions related to traditional knowledge and genetic resources.

The United States also continues to urge Indonesia to fully implement the bilateral Intellectual Property Rights Work Plan and plans continued engagement with Indonesia under the United States–Indonesia TIFA to address these issues.

SERVICES BARRIERS

Audiovisual Services

Indonesia's 2009 Film Law imposes a 60 percent screen quota for Indonesian films. In 2019, the Minister of Education and Culture issued Regulation No. 34/2019, which, if enforced, would prohibit dubbing foreign films and prohibit foreign companies from distributing or exhibiting films.

Express Delivery Services

Indonesian law requires that suppliers of intercity courier and express delivery services be majority owned by Indonesians and that foreign suppliers limit their activities to provincial capitals with international airports and seaports.

Financial Services

The Indonesian Financial Services Authority (OJK) Regulation No. 56/03/2016 limits bank ownership to no more than 40 percent by any single shareholder, applicable to foreign and domestic shareholders. In certain cases, OJK may grant exceptions to this general rule. Based on OJK Regulation No. 12/POJK.03/2021, OJK increased the foreign equity cap for commercial banks to 99 percent with prior assessment from the banking supervisor unit at OJK.

Indonesia's central bank, Bank Indonesia (BI), restricts foreign ownership in private credit reporting firms to 49 percent under BI Circular Letter No. 15/49/DPKL.

Under BI Regulation No. 18/40/PBI/2016 on payment transaction processing operations, BI limits foreign ownership of payment companies to 20 percent (but exempts existing investments that exceed this foreign equity limitation).

BI Regulation No. 19/08/2017 on the National Payment Gateway (NPG) requires all domestic retail debit and credit transactions to be processed through NPG switching institutions located in Indonesia and licensed by BI. The regulation imposes a 20 percent foreign equity limitation on firms that wish to obtain a switching license to participate in the NPG, prohibiting the cross-border supply of electronic payment services for domestic retail debit and credit card transactions. BI Regulation No. 19/10/PADG/2017 mandates that foreign firms form partnership agreements with licensed Indonesian NPG switches in order to process domestic retail transactions through the NPG. BI must approve such agreements, and the regulation makes approval contingent on the foreign partner firm supporting development of the domestic industry, including by technology transfer.

Under BI Regulation No. 21/2019, Indonesia established national standards (termed QRIS, or Quick Response Code Indonesian Standard) for all payments using QR codes in Indonesia. U.S. companies, including payment providers and banks, noted concern that during BI's QR code policymaking process, international stakeholders were neither informed of the nature of the potential changes nor given an opportunity to explain their views on such a system, including how it might be designed to interact most seamlessly with existing payment systems.

Indonesia issued BI Regulation No. 22/23/PBI/2020, effective July 2021, to implement BI's 2025 Payment System Blueprint. The umbrella regulation establishes a risk-based categorization of payment system activities and a licensing system. The regulation implemented an 85 percent foreign ownership cap for non-bank payment service operators, also known as front-end payment companies, but foreign investors

may only hold 49 percent of voting shares. The foreign ownership cap for payment system infrastructure operators, or back-end companies, remains at 20 percent. Stakeholders have expressed concern regarding BI's lack of consultation prior to issuance of regulations.

In May 2023, BI mandated that government credit cards be processed through the NPG and required the use and issuance of local government credit cards. U.S. payment companies are concerned the new policy will limit access to the use of U.S. electronic payment options.

Health Services

Problematic sectoral regulations remain in place in the healthcare sector, including regulations that require foreign-owned hospitals to have more inpatient beds than is required for domestic hospitals.

Franchising and Retail Distribution Services

Under MOT Regulation No. 71/2019, retail companies operating in Indonesia are required to prioritize the use of domestic goods and services unless domestic products do not meet a franchisor's quality standards. MOT Regulation No. 23/2021 further requires modern shops to set aside promotion areas for products produced by micro-, small, and medium-sized enterprises (MSMEs) and requires business owners with more than 150 stores to franchise their businesses. Barriers to retail services through electronic commerce are identified in the "Internet Services" section below.

Telecommunications Services

Indonesia has issued a number of measures that make it difficult to import cellular and Wi-Fi equipped products. Under MOT Regulation 36/202 as amended, most recently by MOT Regulation 8/2024, importers are required to become a registered importer to sell directly to retailers or consumers. To qualify for an MOT import license, Indonesia requires importers to provide evidence of contributions to the development of the domestic device industry or evidence of cooperation with domestic manufacturing, design, or research firms. Companies seeking to import 4G and beyond technology-enabled devices may only do so under a producer's license (API-P), which is generally held by importers of unfinished goods intended for use in the manufacturing process, limiting the ability of foreign producers to sell these devices in Indonesia. Importers are also required to submit product identification numbers and a corresponding certificate from the Ministry of Communications and Information Technology (MCIT). Industry stakeholders have complained that it takes months to get a decision on license requests.

U.S. companies have reported that, in some cases, the MOI is informally limiting import quantities under existing licenses (issued under MOI Regulation No. 38/2024) to protect locally manufactured cell phones, handheld computers, and tablets. Importers of any type of cell phone, handheld computer, or tablet are also subject to MOI Regulation No. 68/2016, which requires importers to obtain an MOI recommendation to establish themselves as registered importers of such devices. A recommendation is only available for local manufacturers, importers in a joint venture with a local manufacturer, or importers of specialized items. Altogether, Indonesia's licensing practices impose significant barriers on the importation of cellphones, handheld devices, and other electronic devices.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Digital Products

Regulation 17/2018 establishes five HS lines at the eight-digit level (with import duty rates currently set at zero percent) for software and other digital products transmitted electronically, including applications, software, video, and audio. Despite zero tariffs, companies have expressed concern over the potential administrative burden of this new regulation, including potential customs documentation or reporting requirements. The MOF has indicated that any data reporting under this system will be voluntary. Imposition of any duties on digital products under this regulation would raise serious concerns regarding Indonesia's longstanding WTO commitment, renewed on a multilateral basis in December 2019, not to impose duties on electronic transmissions. In addition, using a tariff schedule for the application of such duties on non-physical products raises fundamental questions and challenges related to the harmonized tariff system, the role of customs authorities in the digital space, and the determination of country of origin for electronic transmissions.

Internet Services

GR No. 71/2019 (GR 71) requires private sector electronic system operators (ESOs) to facilitate supervision by government agencies, including by granting access to electronic systems and data for monitoring and law enforcement purposes. The MCIT issued implementing regulations for GR 71, Regulations No. 5/2020 and No. 10/2021, which require private sector ESOs, including those providing services on a cross-border basis, to register with the MCIT. ESOs that fail to register or comply with government takedown orders for a potentially broad category of prohibited electronic information may be subject to access blocking. Industry stakeholders, including U.S. stakeholders, have voiced concerns over the lack of clarity regarding what content falls within the scope of prohibited content, the lack of an appeal and adjudication mechanism, and the limited notice and turnaround time for ESOs to respond to takedown requests from the MCIT.

INVESTMENT BARRIERS

Presidential Regulation No. 10/2021, as amended by Presidential Regulation No. 49/2021, liberalized foreign investment in Indonesia by repealing the 2016 Negative List of Investment but identifies certain sectors that remain subject to foreign ownership limitations. Foreign investment is limited to 49 percent for enterprises engaged in publishing newspapers and magazines, postal services, and air, land, and sea transportation. Foreign investment is limited to 20 percent for broadcasting service suppliers and certain financial service suppliers. Foreign investment is prohibited for certain activities such as fish processing and shipbuilding. In addition, sectors and activities open to 100 percent foreign ownership following the repeal of the Negative List of Investment may still be subject to limitations and conditions imposed by the relevant ministry.

GR No. 96/2021, as amended by GR No. 25/2024, requires foreign companies that obtain mining licenses to divest 51 percent of their holdings to Indonesian ownership. Foreign mining companies without integrated processing facilities have 15 years to divest, while companies with integrated processing facilities have 20 years to divest.

SUBSIDIES

Indonesia has not submitted a subsidy notification to the WTO under the Agreement on Subsidies and Countervailing Measures since 2019 and has only made one such notification since joining the WTO in 1995.

According to the WTO Secretariat Report on Indonesia's 2020 Trade Policy Review, Indonesia continues to provide fiscal and non-fiscal incentives for manufacturing and exports in connection with its export processing zones and special economic zones programs. These include incentives related to corporate income tax, property tax, import duty, value-added tax, excise and luxury taxes, and local taxes, in addition to assistance on land acquisition, licensing, investment, and labor. Non-tax incentives in the form of loans and interest rate subsidies continue to be available mainly to domestic MSMEs. Additionally, Indonesia provides various forms of official export financing, insurance, and guarantees through the state-owned Indonesia Eximbank and Asuransi Ekspor Indonesia. The United States will continue to urge Indonesia to submit a WTO notification for all of its subsidy programs.

OTHER BARRIERS

Although the Indonesian Government and the Corruption Eradication Commission investigate and prosecute high-profile corruption cases, many stakeholders continue to view corruption as a significant barrier to doing business in Indonesia. Other barriers to trade and investment include: poor coordination within the Indonesian Government; the slow pace of land acquisition for infrastructure development projects; poor enforcement of contracts; an uncertain regulatory and legal framework; inconsistent tax assessments; and lack of transparency in the development of laws and regulations. U.S. stakeholders seeking legal relief in contract disputes have reported that they are often forced to litigate spurious counterclaims and have raised growing concern about the criminalization of contractual disputes.

Export Restrictions

As part of the implementation of the 2009 Mining Law (as amended by the 2020 Mining Law), Indonesia prohibits the export of certain ores, including nickel, bauxite, copper, and tin. The United States is concerned about the impact of these measures on steel, aluminum, and other sectors and their contribution to global overcapacity. On December 11, 2019, the United States requested to join consultations initiated by the European Union concerning the consistency of the export ban with Indonesia's WTO obligations and participated in subsequent panel proceedings as a third party. The panel report in this dispute was circulated on November 30, 2022; the panel found Indonesia's export ban on nickel ore to be inconsistent with its WTO obligations. Indonesia filed a notice of appeal on December 12, 2022.

In the oil and gas sector, some production-sharing contracts and gross split contracts in Indonesia contain a clause specifying that 25 percent of all production must be sold to domestic refineries for domestic consumption. The policy, known as the Domestic Market Obligation, also requires companies to sell the crude oil to domestic refineries at a heavily discounted rate.

Energy and Mining

In the oil and gas sector, GR No. 79/2010, as amended by GR No. 27/2017 and GR No. 93/2021, grants the Indonesian government significant authority to alter the terms of production-sharing contracts. Aspects of contract the government can revise include criteria for cost recovery and tax provisions. The ability of the government to modify such terms introduces additional operational complexity, uncertainty, risk, and costs to oil and gas projects. In addition, the government can also impose on oil and gas companies a maximum amount for costs that can be claimed, such as salaries and goods and services—thereby limiting firms' flexibility in hiring and procurement.

Local Content

Indonesia imposes a number of local content requirements on certain information and communication technologies in order to sell such products in Indonesia. 4G-LTE enabled devices must contain 35 percent local content and 4G-LTE base stations must contain 40 percent local content; equipment used in certain wireless broadband services must contain local content of at least 30 percent for subscriber stations and at least 40 percent for base stations; all wireless equipment must contain 50 percent local content; and certain TV and set-top boxes must contain at least 20 percent local content. In addition, there are local content requirements for wavelength division multiplexing and internet protocol network devices. These requirements limit U.S. companies' ability to sell various telecommunication and electronic products in the Indonesian market. The United States continues to press Indonesia to remove these barriers.

ISRAEL

TRADE AGREEMENTS

The United States–Israel Free Trade Agreement

The United States–Israel Free Trade Agreement (FTA) entered into force on August 19, 1985. Israel implemented phased tariff reductions, culminating in the complete elimination of duties on all non-agricultural products by January 1, 1995. While Israel has eliminated tariffs on non-agricultural goods as agreed, tariff and non-tariff barriers continue to affect a significant number of key U.S. agricultural product exports.

To address the differing views between the two countries over how the FTA applies to trade in agricultural products, in 1996 the United States and Israel signed an Agreement on Trade in Agricultural Products (ATAP), which established a program of gradual and steady market access liberalization for food and agricultural products effective through December 31, 2001. The United States and Israel completed negotiation and implementation of a successor ATAP in 2004, which granted improved access for select U.S. agricultural products. Originally scheduled to last through December 31, 2008, the 2004 ATAP has been extended 17 times, most recently through December 31, 2025, to allow time for the negotiation of a successor agreement. The current ATAP provides U.S. food and agricultural products access to the Israeli market under one of three categories: unlimited duty-free access, duty-free tariff-rate quotas (TRQs), or preferential tariffs, which are set at least 10 percent below Israel’s Most-Favored-Nation (MFN) rates.

The United States and Israel meet regularly to review the implementation and functioning of the FTA and to address outstanding issues. The United States–Israel Joint Committee is the central oversight body for the FTA and last met on May 24, 2023.

IMPORT POLICIES

Tariffs

Israel’s average Most-Favored-Nation (MFN) applied tariff rate was 3.6 percent in 2023 (latest data available). Israel’s average MFN applied tariff rate was 13.7 percent for agricultural products and 2.4 percent for non-agricultural products in 2023 (latest data available). Israel has bound 75.6 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 22.3 percent.

U.S. food and agricultural exports that do not enter duty free under WTO, FTA, or ATAP provisions face barriers, such as high tariffs and a complicated TRQ system. These products include higher-value goods that are sensitive for the Israeli agricultural sector, such as dairy products, fresh fruits, fresh vegetables, almonds, wine, fresh and frozen fish, and some processed foods. In 2022, Israel’s Ministry of Finance issued a decree that began a gradual reduction or elimination of tariffs on many agricultural products, including dairy, meat, fresh fruit, and vegetables as part of the Israeli Government’s agricultural reform. Stakeholders estimate that full market access in agriculture could result in increases in U.S. exports to Israel of a variety of agricultural products.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

On August 4, 2024, Israel adopted amendments to the Standards Law (no. 19) 5784-2024, Import and Export Decree (no. 6) 5784-2024, Energy Sources Law (no. 5) 5784-2024, and the Protection of Public Health Law (no. 9) 5784-2024 allowing for imported goods to be self-certified as consistent with European Union (EU) technical regulations and standards. In contrast, imported goods that are manufactured consistent with U.S. technical regulations and standards require additional regulatory approval by the Standards Institution of Israel. The legislation will apply to the import of dozens of consumer products, including agricultural goods. U.S. industry stakeholders have expressed concerns that the amendments incentivize importers to purchase products that are first-party-certified to European technical regulations and standards rather than U.S. produced goods.

Sanitary and Phytosanitary Barriers

U.S. industry has confirmed that the 40 newly-adopted regulations under the Protection of Public Health (Food Law) will affect many U.S. agricultural exports to Israel. The legislation was implemented on January 1, 2025, and is subject to changes and transition periods. Furthermore, access to updates in the legislation or proposed/revised implementation dates (in draft form) are only accessible to those subscribed to the Nevo Legal Database, a comprehensive online legal database owned by a non-government entity that includes up-to-date full text of primary and subsidiary legislation and historical chronology of amendments. As a result, Israeli importers heavily rely on law firms that subscribe to the database to remain informed of implementation dates. This creates a lack of clarity for U.S. exporters to understand future Israeli regulatory requirements for manufacturing and exporting agricultural goods to Israel.

GOVERNMENT PROCUREMENT

Israel has offset requirements that it implements through international cooperation (IC) agreements. Under IC agreements, foreign companies that have been awarded government contracts are required to offset foreign goods or services provided under the contracts by agreeing to localization commitments that require one of the following: (1) investment in local industry; (2) co-development or co-production with local companies; (3) subcontracting to local companies; or (4) purchasing from Israeli industry.

Israel is a Party to the WTO Agreement on Government Procurement (GPA).

Since January 1, 2009, the IC offset percentage for procurements covered by Israel's GPA obligations has been 20 percent of the value of the contract, 35 percent for procurements excluded from GPA coverage, and 50 percent for military procurements. Under the revised GPA, which entered into force in 2014, Israel is required to eliminate offsets for GPA covered procurement by 2029.

U.S. suppliers are at a disadvantage in principle because of sizeable offset requirements that remain in the interim period, despite an Israeli court decision that prohibits the consideration of offset proposals in determining the award of a contract. Small and medium-sized U.S. exporters often are reluctant to commit to making purchases in Israel in compliance with the IC agreements. As a result, their participation in Israeli tenders is limited.

The inclusion of unlimited liability clauses in many government tenders discourages U.S. firms from competing. When faced with the possibility of significant legal costs for unforeseeable problems resulting

from a government contract, most U.S. firms choose to insure against the risk, which raises their overall bid price and reduces their competitiveness, as compared to bids from Israeli firms.

The United States–Israel Reciprocal Defense Procurement Memorandum of Understanding (MOU) is intended to facilitate defense cooperation and trade, in part by allowing companies from both countries to compete on defense procurements in both countries on as equal a basis as possible, consistent with national laws and regulations. The MOU has benefited Israeli defense industries by opening up the U.S. procurement market by waiving Buy American to Department of Defense procurement for Israeli products. In contrast, the MOU has not opened the Israeli Ministry of Defense procurements market for U.S. suppliers because of requirements to retain local agents or bank accounts to conduct transactions in New Israeli Shekels.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Data Localization Requirements

Data protection in Israel is governed primarily by the Protection of Privacy Law (5741-1981) and the guidelines of the Israeli regulator, the Privacy Protection Authority. Similar to the EU General Data Protection Regulation, Israeli law restricts the cross-border transfer of personal data of Israelis unless certain specific criteria are met, such as the use of standard contract clauses. Since July 2023, Israel recognizes the EU–U.S. Data Privacy Framework as a valid mechanism to meet Israeli requirements for the protection of personal data. *(For further information on the EU's General Data Protection Regulation and the EU–U.S. Data Privacy Framework, see the Electronic Commerce / Digital Trade Barriers section of the EU Chapter of this NTE Report.)*

JAPAN

TRADE AGREEMENTS

The United States–Japan Trade Agreement (USJTA) and the United States–Japan Digital Trade Agreement (USJDTA) entered into force on January 1, 2020. The United States and Japan continue to monitor implementation of these agreements.

On March 28, 2023, the United States and Japan signed the Agreement Between the Government of the United States of America and the Government of Japan on Strengthening Critical Minerals Supply Chains (Agreement). The Agreement will strengthen and diversify critical minerals supply chains and promote the adoption of electric vehicle battery technologies. In particular, the Agreement formalizes the shared commitment of the United States and Japan with respect to the critical minerals sector to facilitate trade, promote fair competition and market-oriented conditions for trade in critical minerals, advance robust labor and environmental commitments, and cooperate in efforts to ensure secure, sustainable, and equitable critical minerals supply chains. The Agreement entered into force immediately upon signature.

The United States continues to urge Japan to remove a broad range of barriers to U.S. exports, including barriers at the border, as well as other barriers to entering and expanding the presence of U.S. products and services in the Japanese market. The United States continues to utilize the United States-Japan Partnership on Trade mechanism as an important vehicle for raising bilateral trade concerns.

IMPORT POLICIES

Tariffs

Japan's average Most-Favored-Nation (MFN) applied tariff rate was 3.7 percent in 2023 (latest data available). Japan's average MFN applied tariff rate was 12.2 percent for agricultural products and 2.4 percent for non-agricultural products in 2023 (latest data available). Japan has bound 99.7 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 4.1 percent.

While Japan's average MFN applied tariffs are relatively low for non-agricultural products, certain high tariffs have a negative impact on a range of U.S. industrial goods exports to Japan, such as chemicals, fish, wood products, and jewelry.

Japan is the fourth largest single-country market for U.S. agricultural products, with U.S. agricultural exports valued at approximately \$12 billion in 2024, despite the existence of tariff and substantial non-tariff market access barriers. While the USJTA removed or reduced tariffs on approximately 90 percent of U.S. food and agricultural exports, there are several important products for which tariffs remain high and limit U.S. market access, including: rice and rice products; certain dairy products; beverages, including mineral waters and fruit juices; processed foods, including chocolate and sweetened cocoa powder; table grapes; fresh strawberries; frozen blueberries; tangerines and mandarins; sugar; and pet food.

Fish and Seafood

U.S. fish and seafood exports to Japan totaled \$568 million in 2024. However, tariffs of up to 10 percent on several fish and seafood products, such as pollock, herring, salmon, whiting, cod, and fish oil, hamper U.S. exports and reduce margins of Japanese importers who rely on U.S. raw product for their processing operations. Other market access issues include Japan's import quotas on Alaska pollock and surimi, cod,

Pacific whiting, mackerel, sardines, squid, herring, pollock roe, cod roe, scallops, and kelp. While Japan has reduced tariffs, increased import quota volumes, and eased the administrative burdens associated with those quotas, the remaining import quotas and tariffs continue to present barriers to U.S. exports. U.S. companies report that the process of obtaining quota allocation is expensive and subject to frequent delays. The United States has urged Japan to take further action to reduce and eliminate obstacles to U.S. exports of fish and seafood.

Leather and Footwear

Japan maintains high tariffs on leather, footwear, and travel goods, ranging from 3.5 percent to an *ad valorem* equivalent of approximately 130 percent on certain footwear imported from the United States. For example, Japan continues to apply tariff-rate quotas (TRQs) to a limited and tightly controlled volume of leather footwear imports. The tariffs on out-of-quota imports are either 30 percent or ¥ (yen) 4,300 (approximately \$28) per pair, whichever is higher. These tariffs can more than double the cost of imports and negatively affect market access for U.S.-made footwear. Japan also applies TRQs on some raw hides and skins. The United States continues to seek improved market access for U.S. exports in this sector.

Non-Tariff Barriers

Rice

Japan's highly regulated and nontransparent system of importation and distribution for rice limits the ability of U.S. exporters to have meaningful access to Japan's consumers. Japan has established a global TRQ of 682,200 metric tons (on a milled basis) for imported rice. The Grain Trade and Operations Division of the Ministry of Agriculture, Forestry, and Fisheries (MAFF) Crop Production Bureau manages the TRQ through periodic ordinary minimum access (OMA) tenders and through simultaneous-buy-sell (SBS) tenders. Imports of U.S. rice under the OMA tenders are destined almost exclusively for government stocks. The MAFF releases these stocks exclusively for non-table rice uses, such as industrial food processing, animal feed, and re-export as food aid. Under SBS tenders, only a small amount of U.S. rice imported into Japan—still identifiable as U.S. rice—reaches Japanese consumers. In recent years, SBS tenders have not been filled due partly to the non-market-based price markup that the MAFF imposes on TRQ imports.

Although Japan asserts that the markup is set using supply and demand figures and world pricing, it had not changed the markup of ¥61 per kilogram (approximately \$0.40/kg) for six years, between Japan Fiscal Year (JFY) 2018 and JFY 2023. However, in the JFY 2024 third SBS tender in November, the markup reached the maximum allowable level of ¥292 per kilogram (approximately \$1.93/kg), reflecting strong import demand. U.S. rice exports currently make up only about 3 percent of all rice consumed in Japan. The United States will continue to monitor Japan's rice import system in light of Japan's WTO import commitments and engage with Japan on its SBS markup for rice.

Wheat

Japan requires food wheat to be imported through the Grain Trade and Operations Division of the MAFF's Crop Production Bureau to secure the lowest tariff rate. The Crop Production Bureau resells the wheat to Japanese flour millers at prices substantially above import prices by imposing a markup. The United States continues to carefully monitor Japan's operation of its state trading entity for wheat and its potential to distort trade.

Pork

U.S. pork exports to Japan are subject to a trade-distorting “gate price mechanism” that functions as a variable levy. To prevent lower-priced imports from competing with Japanese pork, the mechanism levies progressively higher duties on lower-priced imports. For instance, chilled and frozen pork are subject to a specific duty of up to ¥125 per kilogram (approximately \$0.83 per kilogram) based on the difference between the actual import value and a government-established reference price. This duty is in addition to an *ad valorem* duty that is charged on all chilled and frozen pork, regardless of import value. With the implementation of the USJTA, the variable levy under the pork gate price mechanism is being reduced over time for U.S. pork, but not eliminated.

Ethanol: On Road Biofuels

In April 2023, Japan implemented a revised Biofuels Standard that will allow the United States to provide up to 100 percent of Japan’s annual on-road biofuels target of 500 million liters crude oil equivalent. The new Biofuels Standard held constant the annual biofuels target volume, which has remained unchanged since 2017. In April 2025, Japan plans to form an “on-road” fuel expert working group to further develop regulatory policies and standards. The United States continues to urge Japan to increase its annual biofuels target volume to a level that would allow Japan to achieve at least an E3 blend rate (gasoline containing 3 percent bioethanol). In November 2024, Japan’s Ministry of Economy, Trade and Industry (METI) announced plans to introduce direct blending of biofuels with gasoline as fuel for on-road vehicles. Under the draft policy, oil distributors would begin supplying fuels mixed with up to 10 percent ethanol by 2030 and 20 percent ethanol by 2040.

Ethanol: Sustainable Aviation Fuel (SAF)

In June 2023, METI announced plans to implement a target volume of 1.7 billion liters for SAF consumption in Japan by 2030. Japan has a strong interest in using ethanol to produce SAF. However, the International Civil Aviation Organization’s (ICAO) current carbon intensity scoring model for U.S. corn ethanol requires updating to accurately reflect indirect land use change criteria. The current scoring model could negatively impact U.S. corn ethanol as a feedstock for Japan’s future SAF production. METI will hold expert committee meetings to continue discussions of the agreed upon SAF regulatory framework as soon as April 2025. In December 2024, Japan completed their first commercial SAF production plant in Osaka with the aim to begin sales to airlines in March 2025. The United States continues to cooperate with the Government of Japan on the use of SAF and ethanol, including through technical workshops and bilateral discussions such as under the U.S.-Japan Partnership on Trade.

Customs Barriers and Trade Facilitation

Expanding Japan’s advance rulings system to address more customs issues would improve transparency and predictability for U.S. exporters. The United States continues to urge Japan to improve the speed of customs processing and to reduce the complexity of customs and border procedures. In particular, U.S. exporters continue to seek the coordinated pre-arrival processing by all border agencies of any shipment, by any mode of transportation, for which customs data is submitted sufficiently early. *(For further information on the treatment of international express delivery suppliers, see the Services Barriers section.)*

SANITARY AND PHYTOSANITARY BARRIERS

Food Safety

Regulatory Oversight

As part of an overall effort to streamline management of issues relating to health and infectious disease the Government of Japan shifted its food safety standard administration (under the Food Sanitation Act) from the Ministry of Health, Labor and Welfare (MHLW) to the Consumer Affairs Agency on April 1, 2024. However, responsibility for monitoring and inspection of domestic and imported foods will remain with the MHLW. The United States will monitor implementation and development of regulations to ensure continued science-based regulatory decision-making and a level playing field for U.S. exports of food products to Japan.

Pre- and Post-Harvest Fungicides

Japan classifies fungicides applied pre-harvest as pesticides and classifies fungicides applied post-harvest as food additives. These different classifications based on the time of application lack a discernable science-based rationale. Because post-harvest fungicides are classified as food additives, Japan requires products treated with them to be labeled at the point of sale with a list of fungicides used. This requirement does not have a significant impact on domestic producers because Japanese farmers selling their produce domestically do not need to treat that produce for long-distance distribution and generally apply fungicides prior to harvest. The requirement may disadvantage U.S. products, because it inaccurately implies that competing Japanese products have not been treated with fungicides.

Maximum Residue Limits

Japan's procedures for enforcement of maximum residue limits (MRLs) result in uncertainty for shippers, including those who have never violated Japan's standards. Following an MRL violation by one exporter, Japan imposes enhanced surveillance on all imports of that product from the exporting country. If a second violation is detected during the enhanced surveillance period, Japan will detain and test all shipments of that product from the exporting country, holding shipments until residue testing proves compliance. A violation by a single producer from one country does not establish a systemic problem in that country and does not justify taking country-wide measures in response. The United States continues to urge Japan to adopt a risk-based approach to addressing MRL violations, and apply enhanced measures to all shipments from a particular country only when evidence indicates a systemic, country-wide problem.

Beef and Beef Products

On May 17, 2019, Japan eliminated age-related restrictions on the cattle from which U.S. beef and beef product exports to Japan are derived, thereby allowing use of cattle that are 30 months of age and older. However, Japan maintained the requirement that U.S. exporters must hygienically remove those tissues Japan defines to be specified risk materials (SRMs). Japan's definition of SRMs is more restrictive than the World Organization for Animal Health (WOAH) guidelines provide for countries with a negligible risk for bovine spongiform encephalopathy (BSE), as well as the U.S. Department of Agriculture Food Safety and Inspection Service (FSIS) regulations. Specifically, Japan requires that all parts of the head, other than tongues, cheek meat (Masseter muscle), and skins, be removed. Notably, this excludes head meat, which is allowed under WOAH guidelines and FSIS regulations. This restriction has necessitated the retention of an extra-regulatory third-party verification program, as FSIS does not verify the removal of the additional tissues. When Japan eliminated its age-related restrictions, the United States pressed Japan to align its SRM

definition with WOAHP guidelines for countries with a negligible risk for BSE. The United States continues to seek Japan's alignment with international guidelines.

Plant Health

Table-Stock Potatoes

U.S. potato exports to Japan are limited to chipping potatoes. In March 2020, the United States submitted an official request to Japan for market access for table-stock potatoes. In September 2023, Japan provided the final pest list for table-stock potatoes. In the September 2024 plant health bilateral meeting, Japan informed the United States that Japan is making progress on completing the pest risk assessment. The United States continues to engage with Japan on this market access request.

Apples

In 2017, the United States submitted an official request to export apples to Japan under a systems approach, which would provide Japan with a comparable level of phytosanitary protection to Japan's current regulatory approach and eliminate costly pest-mitigation requirements for U.S. exporters. The United States will continue to engage with Japan and provide capacity building on the requested systems approach.

Stone Fruit

In August 2021, Japan granted market access for U.S.-grown Japanese plum varieties, but Japan continues to impose costly fumigation requirements. On May 13, 2024, Japan approved five additional plum varieties for import into Japan. The United States will continue to engage with Japan on phytosanitary topics related to U.S. stone fruit, including the U.S. market access request for peaches and revision of the fumigation monitoring requirements for U.S. plums.

GOVERNMENT PROCUREMENT

Japan is a Party to the WTO Agreement on Government Procurement (GPA).

Japan is obligated to open its GPA-covered government procurement tenders to goods, services, and suppliers from the United States and other GPA Parties. U.S. companies in several sectors have expressed concern that the Japanese Government sometimes uses technical specifications that could exclude U.S. products and services and, in some cases, may exert pressure on various entities to select domestic companies for procurement opportunities. The United States has expressed these concerns to Japan as they have arisen and will continue to engage with Japan to address these concerns.

INTELLECTUAL PROPERTY PROTECTION

Japan generally provides strong intellectual property (IP) protection and enforcement, although a number of concerns remain.

Japanese and foreign products are eligible for geographical indications (GIs) protection in Japan. Japan also has recognized numerous GIs pursuant to international agreements. Exchanges of lists of terms pursuant to international agreements have resulted in Japan granting automatic GI protection to certain terms without sufficient transparency or due process. The United States continues to monitor the implementation of Japan's GI system, as well as the implementation of its recent agreements with the European Union and other trading partners with respect to GIs.

SERVICES BARRIERS

Express Delivery

The United States remains concerned by unequal conditions of competition between Japan Post Co. and international express delivery suppliers. Private U.S. express carriers are required to declare all shipments for customs clearance and calculate duties and consumption taxes based on cost. Different procedures apply to Japan Post Co., as duty assessment is based on Express Mail Service (EMS) shipment rules.

Japan Post Co. is regulated by a single agency—the Ministry of Internal Affairs and Communications (MIC), whereas private express delivery companies are subject to rules imposed by various ministries, including the Ministry of Finance; the MHLW; the MAFF; and, the Ministry of Land, Infrastructure, Transport, and Tourism (MLIT). The United States continues to urge Japan to equalize customs procedures and requirements.

Financial Services

Postal Insurance and Banking

The United States has longstanding concerns about the negative impact of Japan Post Insurance on competition in Japan's insurance market and continues to closely monitor the implementation of reforms. The United States continues to urge Japan not to allow Japan Post Bank and Japan Post Insurance to expand the scope of their operations before a level playing field is established.

Insurance Cooperatives

Insurance cooperatives hold a substantial share of the insurance business in Japan. Some insurance cooperatives are regulated by their respective agencies of jurisdiction (*e.g.*, the MAFF or the MHLW) instead of by Japan's Financial Services Agency (FSA), which regulates all private sector insurance and financial services companies. These separate regulatory schemes create a nontransparent regulatory environment and afford insurance cooperatives critical business, regulatory, and other advantages over their private sector competitors. The United States remains concerned about limited FSA supervisory authority over insurance cooperatives.

Professional Services

Educational Services

Japan does not treat foreign universities' Japanese campuses as equivalent to domestic higher education institutions for tax, scholarship, endowment, and research grant purposes. This has harmed the ability of U.S. degree-granting campuses in Japan to compete for students and faculty and deterred other U.S. universities from launching full four-year degree programs in Japan. Despite extensive consultations with authorities, U.S. universities have only been offered the potential solution of becoming "educational corporations," a status which would subject them to regulations set by Japan's Ministry of Education, Culture, Sports, Science, and Technology. Stakeholders report that they are disadvantaged whether or not they are granted "educational corporations" status. If granted the status, educational corporations are required to be "independently administered" (*i.e.*, not subject to direct administration by the parent university in the home country), which is a particularly difficult legal and administrative hurdle to overcome, because it challenges foreign universities' ability to offer the curriculum of their main campuses,

operate with the policies and practices followed at their main campuses, conform with education accreditation requirements in their home countries, and provide access to financial aid programs. On the other hand, if foreign satellite universities are not granted “educational corporations” status, they face unfavorable tax treatment compared to Japanese universities, including having to pay Japan’s 10 percent consumption tax on their tuition, fees, dorms, and any other revenue, and corporate income tax on profits at the statutory rate over 45 percent. Additionally, they are excluded from participation in Japanese Government grant programs that promote international exchange and provide financial support for study abroad, and their faculties are excluded from applying for government-funded and other research grants on the same basis as faculty at other Japanese universities.

Legal Services

In 2020, the Japan Fair Trade Commission (JFTC) introduced protections for certain attorney-client communications, a departure from Japan’s general absence of such protections. However, the scope of protected confidential attorney–client communications is extremely limited, protecting only legal advice under the Antimonopoly Act regarding alleged antitrust cartels, which involve price-fixing, market allocation, and bid rigging. In principle, only an external lawyer’s advice to a client is protected. An in-house lawyer’s advice might be protected only if the in-house lawyer is working independently from the enterprise itself. In addition, only legal advice by lawyers qualified in Japan is protected. Legal advice from foreign lawyers (even if they are registered in Japan as a Registered Foreign Lawyer) is not protected. The rules further protect communications only for documents that are carefully segregated from other unprotected documents. The United States will continue to monitor developments and support fuller recognition of attorney-client privilege by the JFTC.

Telecommunications Services

Telecommunications Business Act

U.S. and foreign services operators in Japan, including those offering only streaming and cloud-based services, became subject to regulation under Japan’s Telecommunications Business Act (TBA) in April 2021. Businesses that undertake intermediate communications with users in Japan, including providers of cross-border services, must register as telecommunications providers with the Ministry of Internal Affairs and Communications (MIC), appoint a representative or agent physically domiciled in Japan, and comply with regulations imposed on domestic operators under the TBA, including disclosure and reporting obligations.

Spectrum Auctions

Unlike most advanced economies, Japan does not use auctions to allocate spectrum for commercial mobile services. Stakeholders have raised concerns that allocation decisions under the current system are not objective and transparent. On August 30, 2024, the MIC released a report from an advisory council on the use of a “conditional auction” mechanism for the allocation of underutilized millimeter wave bands or frequency bands that need to be shared with other wireless systems.

Renewable Energy

Renewable energy growth in some regions of Japan has been constrained by lack of electricity grid capacity. Laws implemented in 2020 require the legal unbundling of the transmission and distribution business from the power generation and retail business, but incumbent utility companies still own and operate most of the transmission and distribution grids in Japan through wholly owned subsidiaries. These utility companies reportedly overstate actual grid usage and understate available capacity to prevent competition from new

entrants. Many of the utility companies are also holding unused space on the grid for long-idled nuclear power reactors. Incumbent transmission utilities are required to allow power producers to connect to their power facilities unless they have a justifiable reason to deny the request. Given real grid capacity constraints in some regions, utilities have begun offering renewable generation “non-firm” transmission contracts, which allow generators to connect to the grid and use available grid capacity in exchange for a higher risk of curtailment during times of congestion. In order to ensure that renewable energy is used to the fullest extent possible, METI is considering changes to the curtailment order that would favor renewable energy generation.

Industrial Storage Batteries

On June 28, 2024, METI announced a new requirement for battery manufacturers to have a waste-disposal certification in order for their products to be eligible to participate in a METI-administered auction to supply storage batteries across Japan. Only Japanese companies held this certification as of December 31, 2024. Due to the length of the standard application process for the certification, this requirement created a *de facto* ban on all U.S. and other foreign companies from participating in the 2025 auction. Several factors in the implementation of this requirement, such as the questionable relevance of the certification for the storage battery industry and the timing of a Japanese company’s application for the certification before the official METI announcement of the new requirement, have raised significant concerns that the intent of the change was to drive business towards specific Japanese companies that would otherwise be less competitive.

Although U.S. companies based in Japan have voiced concerns, made good faith efforts to apply for the certification, and provided possible resolutions to METI, no substantial changes have been made, and METI has kept the certification requirement in place.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Digital Platform Regulation

In 2019, the Digital Market Competition Headquarters (DMCH), was created under the Cabinet Secretariat to lead the coordination of competition policy in the digital market. U.S. companies have expressed concern that they are being subjected to additional regulations and scrutiny that do not apply to most Japanese conglomerates, some of which operate in similar sectors.

In December 2019, the JFTC released guidelines on applying the Antimonopoly Act (AMA) to transactions between digital platform operators and consumers. In these guidelines, the JFTC asserts that platform companies are in “a superior bargaining position” when customers have no choice but to provide their data to use the services and platform companies may commit an abuse of that position when use of personal data is not fully and accurately disclosed or personal data is not protected. After receiving input from stakeholders concerned about insufficient guidance, the JFTC provided several examples of practices that would or would not constitute an abuse of superior bargaining position.

The Act on Improving Transparency and Fairness of Digital Platforms (the Digital Platform Act) imposes additional obligations on large companies designated by METI as “specified digital platform providers” for specific services, including “general online shopping malls selling goods,” “application stores,” “media-integrated digital ad platforms,” and “ad intermediary digital platforms.” The “specified digital platform providers” designated by METI have disproportionately captured U.S. firms compared to their Japanese and third country competitors and therefore undermine U.S. competitiveness in Japan by increasing the compliance costs on certain U.S. firms while not placing a similar burden on their competitors.

SUBSIDIES

Wood Products

Japan maintains numerous support programs at the national, prefectural, and municipal levels that may favor domestic logs and wood products over imports. To increase the supply of domestic wood products from 34 million cubic meters in 2021 to 42 million cubic meters in 2030, Japan allocated ¥45.8 billion (approximately \$303 million) for the Comprehensive Measures to Strengthen the International Competitiveness of the Forestry and Timber Industry program from the 2023 MAFF supplemental budget. Furthermore, in 2024 Japan allocated ¥173 billion (approximately \$1.14 billion) under the Forest Management Project to support domestic thinning and selective logging operations. In addition, Japan has provided funding for local governments to manage unprofitable forestlands. Starting from 2024, Japan began collecting the Forest Environment Tax from each Japanese taxpayer to cover the cost of this program (approximately ¥60 billion, or \$410 million, per year). The United States is monitoring the disbursement of these funds and other support programs.

OTHER BARRIERS

Transparency

Advisory Groups

Advisory councils and other government-commissioned study groups enjoy significant power in Japan's regulatory process that sometimes goes beyond providing advice and recommendations. The United States continues to urge Japan to follow good regulatory practices and ensure transparency with respect to the formation and operation of advisory councils by adopting new requirements to ensure ample and meaningful opportunities for those not on advisory councils and study groups to participate in, and directly provide input to, the regulatory process.

Public Comment Procedure

The United States remains concerned about inadequate implementation of public comment procedures by Japanese ministries and agencies. In 2024, stakeholders flagged several instances where comment periods for regulations or guidelines were non-existent, unnecessarily short, or occurred at the same time as major national holidays. In other cases, comments did not appear to have been adequately considered given the brief time between the end of the comment period and the issuance of a final rule or policy. While the United States acknowledges recent instances when Japanese ministries allowed comments to be submitted in English and provided an appropriate amount of time for parties to draft, finalize, and submit their comments, for example METI's Draft Guidelines for Corporate Takeovers, the United States stresses the need for Japan to improve the system, such as by lengthening the standard public comment period for rulemaking, more broadly and consistently.

Automotive

The United States has expressed strong concerns with the overall lack of access to Japan's automotive market for U.S. automotive companies. A variety of non-tariff barriers impede access to Japan's automotive market, and overall sales of U.S.-made vehicles and automotive parts in Japan remain low. Non-tariff barriers include the non-acceptance of U.S. Federal Motor Vehicle Safety Standards certification as providing an equivalent level of protection as the Japanese vehicle safety standards; unique standards and testing protocols; unique spectrum allocation for short-range vehicle communications systems; a lack

of opportunities for input by interested persons throughout the process of developing regulations; and hindrances to the development of distribution and service networks.

Japan aims to transition to 100 percent clean energy vehicles, including electric vehicles, hybrid vehicles, and fuel cell electric vehicles (FCEVs), sold in Japan by 2035. Japan provides a purchase subsidy of up to ¥850,000 (approximately \$5,614) for traditional battery electric vehicles (BEVs). However, FCEVs, which are primarily produced by Japanese companies, receive a much higher subsidy than BEVs, of up to ¥2.55 million (approximately \$16,843), depending on the vehicle model.

Japan also restructured its system of subsidies for consumer purchases of BEVs, plug-in hybrid electric vehicles (PHEVs), and FCEVs. Previously, nearly all cars received similar subsidies. Under the old system, BEVs received ¥650,000 (approximately \$4,293), PHEVs ¥450,000 (approximately \$2,972), and FCEVs ¥2,300,000 (approximately \$15,192). Now, for BEVs, the subsidy will range from ¥120,000 (approximately \$793) to ¥850,000 (approximately \$5,614), with primarily Japanese manufacturers benefiting the most.

Japan also provides subsidies for vehicle charging stations but requires compliance with CHAdeMO, a charging standard originally developed in Japan and supported by Japanese industry groups. Although this standard was previously used in earlier model electric vehicles in other countries, Japanese automakers in 2023 joined U.S. and European automakers in endorsing other standards for their sales in North America, Europe, and China. This leaves Japan as an outlier on charging technology and disincentivizes foreign automakers and charging suppliers from operating in Japan by requiring outdated technology in order to receive the subsidy.

In February 2025, Japan amended the Radio Act Enforcement Regulation to allow the use of 433.92MHz radio frequency for Short Range Vehicle Communication Systems, which includes remote keyless entry and tire-pressure monitoring systems. Japan's shift to 433.92MHz frequency is a significant step towards global alignment. Prior to this change, Japan's deviation from the globally recognized 433.92MHz frequency necessitated costly alterations for foreign automotive manufacturers including American automakers, and had been a longstanding non-tariff barrier. U.S. companies have noted that while transitioning to the 433.92MHz frequency, devices used in key fobs must first obtain certification meeting technical standards Japan has set from either domestic or overseas certification bodies; the United States will continue to monitor the situation to ensure these certifications are recognized in a timely manner.

In addition, industry has expressed concern with differential treatment for U.S. EV charging infrastructure compared to Japanese EV charging infrastructure. The MLIT permits Japanese companies to build superchargers at highway rest areas that do not require vehicles to exit and reenter the toll highway. In contrast, vehicles are required to pay tolls to exit and reenter toll highways to access EV charging infrastructure produced by U.S. companies. MLIT has claimed since 2023 to be implementing an initiative that will allow EV owners seeking to charge their vehicles a two-hour window to exit and reenter the highway toll-free. However, as of December 31, 2024, MLIT had created only one entry and exit point for toll-free access to off-highway U.S. superchargers located in a remote area in Gifu prefecture. Stakeholders report that MLIT has made no other progress on the initiative, despite advocacy by Japan's Fair Trade Commission in favor of the initiative.

Medical Devices and Pharmaceuticals

Japan's Price Maintenance Premium (PMP) system, introduced in 2010, adds price premiums to innovative new drugs and protects this price throughout the patent life of a medicine. In the 2018 pricing cycle, Japan made changes to its PMP rules that significantly reduced the number of innovative products and companies that received the full benefit of the PMP. In particular, several of the criteria that were used in PMP

calculations appeared to make it easier for Japanese companies to qualify for top premiums and were unrelated to the degree of innovation of the individual product under consideration. However, the fiscal year 2024 National Health Insurance Drug Pricing System Reform Framework that was instituted for the 2024 pricing cycle made several promising adjustments to the PMP rules.

U.S. industry has also continued to raise serious concerns regarding the lack of transparency and predictability in government decision-making. For example, stakeholders reported that there was no opportunity for public comment before the Government of Japan announced off-year drug price revisions for fiscal year 2025. In addition, in recent years, the MHLW has been consolidating medical device product functional categories for price determination with little explanation and little time for key stakeholders to respond. U.S. industry is concerned about the lack of more frequent and meaningful opportunities to provide input regarding Japan's reimbursement rules, as well as other policies of critical importance to the biopharmaceutical and medical device industries.

The United States continues to urge Japan to solicit and consider the input of all stakeholders, including U.S. stakeholders, when developing any measures related to reimbursement policies, and to follow transparent processes in the present and future development of any new policies and measures. The United States also continues to urge Japan to take into account relevant international standards in the development of its regulations in clinical development, multiregional clinical trials, and risk management. In November 2023, Japan announced it would relax its requirement that additional Phase I trials be performed on Japanese people before enrolling Japanese participants in international joint clinical trials, a policy that is unique to Japan. However, this local testing requirement will remain for some drugs with strong side effects (*e.g.*, cancer treatment drugs), representing a continuing concern.

Nutritional Supplements

Japan regulates nutritional supplements as a part of a loosely defined “health food” subcategory of foodstuffs, unlike in the United States, where “dietary supplements” are regulated by the U.S. Food and Drug Administration under different regulations than “conventional” foods. Generally, health food products in Japan are subject to more stringent regulatory oversight than general foods, which has resulted in extra hurdles for U.S. exporters regarding health claims and ingredients than can be used for nutritional supplements when trying to enter the Japanese market. Japan has taken steps to streamline import procedures and improve access in this market.

Quasi-Drugs

Quasi-drugs are defined in Japan's Act on Securing the Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (PMD Act) as products with limited amounts of officially recognized active ingredients and are generally classified in the United States as over-the-counter drugs (for example, anti-acne products) or cosmetic products (for example, anti-aging products). U.S. companies indicate they are experiencing delays in market authorization due to Japan's delay in the adoption of a well-designed online system to process requirements and updates. Although there have been some improvements in processing time, there continue to be delays in the adoption of a monograph (or product standard) system intended to expedite the registration of such products as quasi-drugs under the PMD Act. As a result, products that contain active ingredients that are approved for specific uses in Japan, such as in anti-dandruff shampoos and skin care, may require up to six months to receive market approval. The MHLW is currently working with industry and local prefectural governments to develop a monograph system (such as “Approval Product Standards for Medicated Cosmetics”), which lists the approved uses for previously reviewed ingredients and claims.

JORDAN

TRADE AGREEMENTS

The United States–Jordan Free Trade Agreement

The United States–Jordan Free Trade Agreement (FTA) entered into force on December 17, 2001. Under the FTA, as of January 1, 2010, Jordan provides duty-free access to nearly all U.S. exports, with exceptions for a few product lines, such as alcoholic beverages. The United States and Jordan meet regularly to review the implementation and functioning of the Agreement and to address outstanding issues.

IMPORT POLICIES

Taxes

Jordan's General Sales Tax law allows the government to impose a special tax at the time of importation in addition to the general sales tax. For example, Jordan imposes a 15 percent special tax on carbonated drinks. Jordan also imposes a special tax on vehicles that varies according to the type of engine, which in practice only affects imports as there is no domestic motor vehicle production. Cars with conventional fuel engines are taxed within a range of 67 percent to 94 percent, electric-powered cars are taxed within a range of 10 percent to 15 percent, and hybrid vehicles are taxed at 50 percent. Most U.S.-origin cars sold in Jordan are conventional fuel or hybrid. The United States continues to work with Jordan to promote transparency and predictability of taxation policies.

Non-Tariff Barriers

Import Licensing

Import licenses are required for specific food products by the Ministry of Health and for raw agricultural goods by the Ministry of Agriculture. The approval process can be time-consuming and, at times, lacks transparency. U.S. exporters have raised concerns about the difficulty of obtaining import licenses from the Ministry of Agriculture for U.S.-origin chicken leg quarters and live dairy cattle. The United States continues to engage with Jordanian authorities to address this issue.

Jordan requires that importers of commercial goods be registered traders or commercial entities. The Ministry of Industry, Trade, and Supply occasionally issues directives requiring import licenses for certain goods or categories of goods and products in newly emerging or protected sectors. Jordan requires a special import license prior to the importation of telecommunications and security equipment.

Customs Barriers and Trade Facilitation

Jordan ratified the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) in February 2017. Jordan has not yet submitted four transparency notifications related to: (1) import, export, and transit regulations; (2) the use of customs brokers; (3) customs contact points for the exchange of information; and (4) details on the operation of the single window. The first three notifications were due to the WTO on February 22, 2017, and notification of details on the operation of the single window was due on December 31, 2022, according to Jordan's self-designated TFA implementation schedule.

TECHNICAL BARRIERS TO TRADE

Corn Import Sampling Procedures

According to U.S. stakeholders, Jordan's Ministry of Agriculture does not comply with the sampling technique guidance for grain issued by the Jordan Standards and Metrology Organization, and Jordan's poor sampling techniques have resulted in the rejection of shipments of U.S.-origin corn. The United States has worked with Jordan to improve sampling and inspection procedures, but problems persist. As a result, U.S. exports of corn to Jordan have decreased significantly compared to 2021 and prior years. In 2023, U.S. corn exports to Jordan were valued at approximately \$300,000. That year, Jordan accepted a certificate of inspection from the U.S. Department of Agriculture Federal Grain Inspection Service that has been extended through December 31, 2027. In September 2024, Jordan's Ministry of Agriculture extended the validity of the certificate for another three years.

GOVERNMENT PROCUREMENT

In September 2022, the Jordanian Cabinet adopted Government Procurement Bylaw No. 8, which grants priority to a domestic bid over a foreign bid if the bids are equivalent in terms of requirements, specifications, and price. Additionally, Jordan offers domestic companies a preferential rate of 15 percent in all government tenders based on a 2013 cabinet decision, which has been renewed annually.

Jordan is not a Party to the WTO Agreement on Government Procurement (GPA), but has been an observer to the WTO Committee on Government Procurement since March 2000. In 2002, Jordan began the process of acceding to the WTO GPA with the submission of its initial offer, but negotiations on Jordan's accession have been inactive since 2014.

INTELLECTUAL PROPERTY PROTECTION

Jordan continues to take steps to provide more comprehensive protection of intellectual property (IP) rights. In September 2023, Jordan's Cyber Crime law went into effect, criminalizing a broad array of digital violations, including pirated content. However, challenges regarding IP protection and enforcement persist. As seen throughout the region, online and physical copyright infringement is widespread. For example, the National Library, the primary IP authority in Jordan, continues to express challenges to combating online and physical copyright infringement, including a lack of adequate resources and training that hinder effective enforcement. Law enforcement officials need to continue efforts to strengthen enforcement against pirated and counterfeit goods, particularly with respect to using *ex officio* authority to pursue criminal investigations. The U.S. Government continues to engage with the Government of Jordan on these issues.

INVESTMENT BARRIERS

The Investment Environment Law No. (21) of 2022, which entered into force in January 2023, and the Investment Regulation Bylaw No. 7 of 2023 (the "Investment Law") consolidated 18 investment laws into one regulation. Although Jordan is generally open to foreign investment, the Investment Law limits foreign ownership to no greater than 50 percent (subject to limited exceptions) in: retail and wholesale trading, including distribution, import services, and export services; engineering consultancy services, construction contracting and related services, brokerage services (except for financial intermediation), commercial agencies, insurance brokers, and food and beverage services; and transportation services and customs clearance services including maritime, air transport, and land transportation services.

KENYA

IMPORT POLICIES

Tariffs

Kenya's average Most-Favored-Nation (MFN) applied tariff rate was 13.8 percent in 2023 (latest data available). Kenya's average MFN applied tariff rate was 24.7 percent for agricultural products and 12.0 percent for non-agricultural products in 2023 (latest data available). Kenya has bound 16.3 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 93.8 percent.

Kenya applies the East African Community (EAC) Customs Union's Common External Tariff (CET), with four tariff bands: (1) zero percent duty for raw materials and inputs, (2) 10 percent duty for processed or manufactured inputs, (3) 25 percent duty for finished products, and (4) 35 percent for a list of products the EAC concluded would promote regional integration and domestic industrial sectors. Among the imports that are impacted by the 35 percent fourth tariff band are U.S. exports of secondhand clothing and environmentally cleaner cooking products. Many textiles and agricultural products are classified as "sensitive items" under the EAC and as a result are subject to *ad valorem* tariff rates above 35 percent. This includes rates of 50 percent for some textiles, 60 percent for most milk products, 50 percent for corn and corn flour, 75 percent for rice flour, 50 percent for wheat flour, and 100 percent for sugar.

When deemed necessary, the Kenyan Government has temporarily waived agricultural tariffs to stabilize prices when domestic agricultural prices exceeded certain levels. When the Kenyan Government has taken such action, it has applied for and regularly received from the EAC an exemption from the CET.

Application of EAC-wide CET exemptions varies case-by-case. In June 30, 2020, the EAC amended its CET to exclude from import duty exemption (and thus apply duties) to products related to the development of solar and wind energy, while continuing to exempt from duties "specialized equipment for generation of solar and wind energy, photovoltaic modules, direct current charge controllers, direct current inverters, including accessories and deep cycle batteries which use and/or store solar power." Kenya subsequently extended duties to spare parts and accessories to solar equipment later in the year. Kenya began implementing the 2020 EAC CET amendments for solar and wind energy equipment in July 2021 but has not uniformly implemented them. Some stakeholders voiced concern that the amendment to the CET does not adequately define the term "spare parts and accessories."

Non-Tariff Barriers

Import Bans

On September 10, 2024, Kenya imposed a ban on sugar imports from outside the Common Market for Eastern and Southern Africa (COMESA) and the EAC in response to increased local sugar production that satisfied local consumption.

Customs Barriers and Trade Facilitation

U.S. companies have raised concerns about the length of time required for Kenyan Customs to release shipments, as well as the use of a complex and inefficient process that involves many steps with uncoordinated offices, despite implementation of a single window system. Many U.S. companies have commented that Kenya's one-stop customs clearance system does not operate as intended and that

prearrival processing of electronic documents is ineffective. Other U.S. companies have raised concerns about the inconsistent application of classification and valuation decisions, as well as unnecessary transit inspections.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Verification of Conformity to Standards Procedures

On April 28, 2020, Kenya issued the Standards Order (*Verification of Conformity to Standards and Other Applicable Regulations*), which subjects all imports, except those meeting certain exemption criteria, to the Pre-Export Verification of Conformity (PVoC) program. The PVoC program requires pre-shipment inspection of most imports in their country of origin to ensure compliance with applicable Kenyan standards and regulations. Under the PVoC program, an importer must obtain a Certificate of Conformity (CoC) from a PVoC inspection agent in its region designated by the Kenya Bureau of Standards (KEBS). The PVoC inspection agent assesses what, if any, testing is required to meet Kenyan standards and regulations. Kenya asserts that the program is necessary to address health, environmental, and security concerns, but U.S. industry has raised concerns that the program's testing, certification, and labeling requirements deviate from international standards without providing an additional measure of safety. For U.S. food and agricultural goods, Kenya requires PVoC inspections on a consignment-by-consignment basis in the United States prior to export. As an incentive to use the PVoC program, Kenya charges higher fees for destination inspection if the product arrives without a CoC from a PVoC inspection agent.

Currently, Kenya has only designated one inspection company, SGS, to perform PVoC inspections in the United States, further limiting the ability of U.S. exporters interested in selling products to Kenya.

Certain products are exempt from the PVoC program, including raw materials, machines, and spare parts imported by registered local manufacturers; products certified by KEBS under the Diamond Mark of quality product certification; and products waived by the Kenyan Government through the Cabinet Secretary for Investment, Trade, and Industry. Goods exempted from the program are still subject to KEBS destination inspection.

Goods arriving at the port of entry in Kenya without having undergone an inspection through the PVoC program to obtain a CoC are subject to inspection by KEBS. The cost of inspection at port is 5 percent of the customs value of the shipment, and the goods may be rejected. After obtaining a CoC or undergoing inspection at the port of entry, the importer must also purchase from KEBS an Import Standardization Mark label that must be affixed to each imported article or its retail packaging.

Sanitary and Phytosanitary Barriers

Agricultural Biotechnology

On October 3, 2022, Kenya lifted a 10-year ban on the import and commercialization of genetically engineered (GE) products, opening a path to cultivation and import of GE food and feed. However, the lifting of the ban is on hold pending the outcome of a domestic legal challenge before Kenya's Court of Appeals.

Animal Genetics

In January 2020, Kenya's Office of the Director of Veterinary Services (DVS) and the U.S. Department of Agriculture Animal and Plant Health Inspection Service agreed on veterinary requirements and certificate attestations for the importation of bovine embryos from the United States. In May 2020, however, the DVS proposed additional requirements that went beyond those previously agreed by the two agencies. Kenya imposes standards that are overly restrictive for bovine semen imports, precluding actual market access for most U.S. bovine semen for dairy cattle and leaving the largest share of the market to the domestic producers who do not meet the same criteria.

Import Permits

Kenya maintains complex, nontransparent, and costly requirements for the importation of all meat, dairy, and poultry products, including a "Letter of No Objection to Import Permit" (no-objection letter) issued by DVS. Before issuing a no-objection letter, which requires several attestations, including animal and public health statements, DVS requires an importer to explain the reason for importation through a "Letter of Application to Import" and to specifically address the market need the import would meet. DVS issues the no-objection letter for meat, dairy, and poultry products at its discretion on a case-by-case basis. Importers have reported that DVS has at times provided them with non-sanitary-related grounds for denying permits, such as the local availability of a similar product. DVS and other competent authorities do not always provide written justification for not issuing the letter.

Plants and Plant Products

Kenya subjects imported and domestically produced corn to a total aflatoxin limit of 10 parts per billion (ppb) and a 13.5 percent maximum moisture content. The aflatoxin limit in Kenya is lower than the standard adopted by the Codex Alimentarius and the U.S. action level for aflatoxin, and Kenya has not provided adequate scientific justification for these requirements. As a result, most U.S. exports are denied import permits. Under special circumstances – such as food shortages – Kenya has allowed higher moisture content for imported corn, which must then be dried and milled immediately upon arrival to reduce the risk of aflatoxin contamination. For U.S. corn exports that are permitted under special circumstances, the costs associated with the additional processing requirements make U.S. corn exports largely uncompetitive.

GOVERNMENT PROCUREMENT

Since May 2015, an initiative dubbed "Buy Kenya Build Kenya" has required government institutions to procure at least 40 percent of their supplies locally. For example, government entities are required to give an exclusive procurement preference to motor vehicles and motorcycles produced by companies that have assembly plants in Kenya. Procurement preferences are given to companies that have assembly plants in Kenya (even if the specific item procured is not assembled or manufactured in Kenya).

The 2016 Public Procurement and Asset Disposal Act (PPADA) reserves procurement preferences for Kenyan-owned firms and goods manufactured or mined in Kenya. For tenders funded entirely by the government with a value of less than Kenya Shillings 50 million (approximately \$388,000), the preference for Kenyan firms and goods is required. If the procuring entity seeks to contract with non-Kenyan firms or procure foreign goods, the PPADA requires a report detailing evidence of an inability to procure locally. In April 2020, the National Treasury issued implementing regulations for the PPADA, which mandate that tender proposals include offset requirements such as skills and knowledge transfer to Kenyan citizens, a 75 percent set-aside of employment opportunities for Kenyans, and a local content plan.

U.S. firms have had limited success bidding on Kenyan Government tenders. Corruption often influences the outcome of public tenders, and many of these tenders are challenged in the courts. Tenders are often not announced in a timely and transparent manner. Foreign firms, some without proven track records, have won government contracts when partnered with well-connected Kenyan firms or individuals. The Kenyan government mandates that all tenders and procurements are required to be undertaken through the Kenyan Government's electronic procurement system, the Integrated Financial Management Information System (IFMIS). Concerns about IFMIS include insufficient connectivity and technical capacity in county government offices, central control shutdowns, and security gaps that render the system vulnerable to manipulation and hacking.

Kenya is neither a Party to the WTO Agreement on Government Procurement (GPA) nor an observer to the WTO Committee on Government Procurement.

INTELLECTUAL PROPERTY PROTECTION

Kenya's mandatory (yet currently unenforced) customs recordation system and Import Permit application requirement, both administered by the Anti-Counterfeit Authority, add additional costs and resources for U.S. stakeholders bringing products containing intellectual property into Kenya. Widespread availability of counterfeit and pirated goods remains an issue. Stakeholders also have raised concerns regarding the distribution of copyright-infringing content online and the need for Kenya to join the World Intellectual Property Organization (WIPO) Internet Treaties, which deal particularly with copyright and related rights in the digital environment. Kenya signed the World Intellectual Property Organization (WIPO) Copyright Treaty in 1996 but has yet to ratify it.

SERVICES BARRIERS

Insurance Services

Kenya requires that a minimum of one-third of the equity of an insurance company be held by Kenyan persons or citizens of another EAC Member State. In addition, Kenya requires that local insurers offer at least 20 percent of their treaty reinsurance contracts to the state-owned Kenya Reinsurance Corporation (Kenya Re). Although regulatory approval can be sought, Kenya generally prohibits cross-border Difference-in-Conditions and Difference-in-Limits insurance, which is an important type of insurance for facilitating U.S. investment in countries such as Kenya because it covers unique risks faced by U.S. firms. Kenya requires goods imported to the country through sea or air to be covered by marine cargo insurance sourced from the local insurance industry.

Telecommunications Services

On August 22, 2023, Kenya repealed the 30 percent local equity requirements for non-Kenyan information and communications technology companies operating in Kenya.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

On December 27, 2024, Kenya replaced its digital services tax with a "significant economic presence tax" under the Tax Laws (Amendment) Act of 2024. A three percent effective tax rate on gross revenues is imposed on non-residents whose revenue from the provision of services is derived from or accrues in Kenya through a digital marketplace. Those excepted from the application of the tax include non-residents who offer services through a permanent establishment in Kenya or have an annual turnover of less than 5 million Kenyan Shillings (approximately \$38,800).

Data Localization Requirements

Kenya's 2019 Data Protection Act (DPA) includes unclear provisions governing the cross-border transfer of personal information. The DPA requires that either data subjects provide consent for transfers outside Kenya or controllers provide proof that personal data will be secure as a condition for transferring the data outside Kenya, but does not describe what would constitute acceptable proof. The 2021 Data Protection regulations require companies processing personal data "for the purpose of actualizing a public good" to be processed in a data center located and maintain in Kenya at least one copy of the personal data used.

INVESTMENT BARRIERS

Limitations on Foreign Equity Participation

Kenya imposes foreign ownership limitations in certain sectors. For example, the 2016 Private Security Regulation Act restricts foreign participation in the private security sector by requiring at least 25 percent Kenyan ownership of private security firms.

The 2016 Mining Act imposes a variety of restrictions on foreign participation in the mining sector. Among other restrictions, the Mining Act reserves acquisition of mineral rights for Kenyan companies, requires 60 percent Kenyan ownership of both mineral dealerships and artisanal mining companies, and requires large-scale mining operations to list a minimum of 20 percent of their shares on the Nairobi Securities Exchange within three years of commencing operations, while also offering 10 percent "free-carried interest" (free equity stake) to the Kenyan Government.

On August 22, 2023, Kenya lifted the 30 percent domestic ownership requirements in the Information and Communications Technology sector, which stimulated new foreign investments in the sector.

Real Estate Restrictions

The 2010 Kenyan Constitution prohibits foreigners from holding freehold land title anywhere in the country, permitting only leasehold titles of up to 99 years. The process for leasing developed land and property is clear and established, but the process for obtaining leasehold title of undeveloped land is opaque and unreliable. For undeveloped land, investors risk receiving fake title deeds or leasing a plot with multiple titles and unauthorized sales.

STATE-OWNED ENTERPRISES

The Kenyan Government wholly owns the National Oil Corporation and the Kenya Pipeline Corporation, which limits competition in this sector. Other state-owned enterprises (SOEs), including Kenya Electricity Generating Company, Kenya Electricity Transmission Company, Kenya Power, and the Geothermal Development Company, dominate the electricity generation, transmission, and distribution segments of the energy sector. Kenya Power's internal procurement rules require that 80 percent of supplies be sourced from Kenyan-registered companies to encourage foreign suppliers to register by establishing manufacturing facilities in the country.

Certain SOEs have enjoyed preferential access to markets. Examples include Kenya Re, which enjoys a guaranteed re-insurance market share; Kenya Seed Company, which has fewer marketing barriers than its U.S. competitors; and the National Oil Corporation, which benefits from retail market outlets developed with government funds. Some SOEs have also benefited from easier access to government loan guarantees,

subsidies, and credit at favorable interest rates. The Kenyan Government announced in November 2023 that it would privatize several SOEs. However, the Kenyan High Court halted the privatization of 11 SOEs in September 2024, declaring the Privatization Act unconstitutional due to lack of public participation during its enactment.

OTHER BARRIERS

Disputes over tariffs and taxation are resolved through the judicial system, which is subject to delays and uncertainty. Since June 2015, the Kenya Revenue Authority has offered an alternative dispute resolution mechanism to help taxpayers resolve some tax disputes more quickly.

Bribery and Corruption

Corruption remains a substantial barrier to doing business in Kenya. U.S. firms continue to report challenges competing against foreign firms that are willing to ignore legal standards or engage in bribery and other forms of corruption. Corruption is widely reported to affect government procurements at the national and county levels. Kenya has not effectively implemented its anticorruption laws. U.S. firms continue to report direct and indirect requests for bribes from multiple levels of the Kenyan Government.

Export Ban

The 2013 Agriculture, Fisheries and Food Authority Act prohibits exports of raw agricultural produce such as macadamia nuts, achiote, cashew nuts, and pyrethrum without authorization from the Kenyan Cabinet Secretary for Investment, Trade, and Industry.

KOREA

TRADE AGREEMENTS

United States–Korea Free Trade Agreement

The United States–Korea Free Trade Agreement (KORUS) entered into force on March 15, 2012. Korea immediately eliminated duties on nearly 80 percent of bilateral trade in industrial and consumer goods. Duties on most other such goods were phased out in stages over 10 years and have been eliminated as of January 1, 2021. Tariffs continue to be phased out for certain seafood products, which are scheduled to be eliminated in 2026. Korea has eliminated tariffs on the majority of U.S. agricultural products, while maintaining tariff-rate quotas (TRQs) on a handful of U.S. agricultural exports.

The United States and Korea reached agreement in 2018 to modifications and amendments to KORUS and a related letter exchange. The United States and Korea meet regularly to review the implementation and operation of KORUS and to address outstanding issues.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Chemicals

Four laws and their respective implementing regulations form the basis of Korea's chemical management system: the Act on the Registration and Evaluation of Chemicals (last revised in April 2021); the Occupational Safety and Health Act (last revised in August 2021); the Consumer Chemical Products and Biocides Safety Control Act (last revised in May 2021); and the Chemical Substances Control Act (last revised in August 2021). U.S. chemicals exporters regularly raise concerns with aspects of all of these laws and their implementing regulations, including: lack of guidance from the regulators on how to implement the regulations; insufficient protection for confidential business information; and inadequate transparency regarding the selection of chemicals to be tested and the testing methodology.

Packaging Materials and Labeling Regulations

U.S. stakeholders remain concerned about the lack of clarity relating to the calculation method for packaging space ratios used by Korean Government authorities under the Act on the Promotion of Saving and Recycling of Resources (Recycling Act). While not yet passed, proposed amendments to the Recycling Act in August 2020 and November 2020 would mandate pre-launch testing of packaging materials and labeling of small electronic products to ensure compliance with specified packaging requirements. Stakeholders have raised concerns that the amendments would delay product releases, particularly when not provided with sufficient time to find alternative solutions to adapt to new requirements.

Sanitary and Phytosanitary Barriers

Agricultural Biotechnology

Korea's regulatory system for agricultural biotechnology continues to present challenges to U.S. agricultural exports. The approval process for new biotechnology products is onerous and protracted due

to inefficiencies, which include redundant reviews and excessive data requests. The Korean Government, led by the Ministry of Trade, Industry and Energy (MOTIE), manages the regulatory approval process across five different agencies, each with its own process and data submission requirements. The Korean Government has indicated a willingness to continue discussing potential reforms to its regulatory process; however, the current Living Modified Organisms (LMO) Act mandates participation by all five agencies and thus limits the potential for streamlining the approval process without legislative changes. The United States and industry stakeholders have provided ideas on how to improve the process and developed pilot projects to test a streamlined process for biotechnology product reviews. These initiatives have had little impact, and Korea's lack of reforms continue to slow global regulatory harmonization.

In 2024, Korean lawmakers submitted a draft revision to the LMO Act to the National Assembly, which proposes to define products derived from genome editing technology that do not use or contain foreign genes in the final products and exempt those products from the LMO Act. The United States raised concerns with Korea's approval process for agricultural biotechnology products and policies for products derived from genome editing during the September 24, 2024, meeting of the KORUS Committee on Sanitary and Phytosanitary Measures (KORUS SPS Committee).

Beef and Beef Products

Prior to 2008, Korea restricted the importation of U.S. beef and beef products, citing concerns related to bovine spongiform encephalopathy (BSE). In 2008, the United States and Korea reached a bilateral agreement to fully reopen Korea's market to U.S. beef and beef products. However, as a transitional measure, Korea required that U.S. beef and beef products imported into Korea be derived from animals less than 30 months of age. This "transitional measure" has remained in place for sixteen years. In addition, Korea continues to prohibit the import of processed beef products, including ground beef patties, beef jerky, and sausage, regardless of age.

Market Access for Pet Food Containing Ruminant Ingredients

The United States originally requested resumption of market access for pet food containing ruminant ingredients in 2006 following Korea's ban of all ruminant products from the United States in 2003. In May 2018, the United States sent an expanded market access request to Korea's Ministry of Agriculture, Food, and Rural Affairs (MAFRA) for pet food containing U.S.-origin ruminant ingredients, as well as any ruminant ingredients imported from countries that, like the United States, are deemed by the World Organization for Animal Health as having a negligible risk for BSE. MAFRA published the revised import health requirements for pet food on January 15, 2025.

Horticultural Products

Several U.S. market access requests remain pending with the MAFRA Animal and Plant Quarantine Agency (APQA). Among them are expanded access for blueberries from U.S. states other than Oregon; expanded access for potatoes from 11 additional U.S. states; improvement in the cherry import program; and access for apples, pears, baby carrots, strawberries, California stone fruits, and frozen raspberries and blackberries. The United States requested that the APQA expedite the approval process for these products. The United States and Korea continued efforts to establish access for U.S. exports and discussed these issues during the KORUS SPS Committee meeting on September 24, 2024 and at a bilateral plant health technical meeting in November 2024.

Maximum Residue Limits

Korea's Positive List System (PLS) requires the establishment of new import tolerances for agrochemical residues that were previously permitted but not officially registered for use in Korea, as well as for new substances that do not have any maximum residue limits (MRLs) in Korea. As of January 2022, Korea requires U.S. agricultural exports to comply with Korea's domestic MRLs, import tolerance, or a default of 0.01 parts per million (ppm).

On January 1, 2024, Korea eliminated its policy of recognizing veterinary drug MRLs for the same tissue in a similar species and no longer accepts Codex Alimentarius (Codex) MRLs for veterinary drug residues in beef, pork, chicken, eggs, milk, and fishery products. Instead, Korea now implements its PLS for veterinary drugs, referencing only domestic MRLs or import tolerances (IT) set for veterinary drugs in the aforementioned products. In the absence of a domestic MRL or IT, a 0.01 ppm default tolerance applies. For growth supplements such as beta-agonist and steroid type anti-inflammatory drugs, "non-detection" applies. For products other than beef, pork, chicken, milk, eggs, and fishery products, Korea continues to accept Codex MRLs and lowest MRLs set for the same tissue in a similar species in the absence of Korea's domestic MRLs.

The United States works continuously with Korea's Ministry of Food and Drug Safety to promote the establishment of science-based MRLs that align with international standards to streamline market access for imported food and agricultural products.

GOVERNMENT PROCUREMENT

Korea is a Party to the WTO Agreement on Government Procurement (GPA).

Encryption and Security Requirements for Public Procurement of Information and Communication Technology Equipment

Korea and the United States are both members of the Common Criteria Recognition Arrangement (CCRA), under which products certified at any CCRA-accredited laboratory in any member country should be accepted as meeting the certification requirements in any other member country. However, Korea's National Intelligence Service (NIS) has imposed additional domestic cybersecurity certification requirements through its Security Evaluation Scheme (SES) since October 2014. Korea has broadly imposed the SES for Common Criteria (CC)-certified information technology products to be sold to the public sector. In October 2022, the NIS introduced a three-tiered scheme dividing all public institutions into three sensitivity tiers. The NIS now allows institutions in the middle and lower tiers, such as universities and public schools, to use CC-certified information and communication technology products without additional domestic security verification. However, the SES still applies to most major public institutions, which account for over 90 percent of the public sector market, including all central administrative institutions such as ministries and metropolitan local governments. The United States has urged Korea to abide by its obligations as a CCRA member.

Korea requires network equipment procured by public sector agencies (*i.e.*, government agencies and quasi-government agencies) to incorporate encryption functionality certified by the NIS. However, the NIS only certifies encryption modules based on the Korean-developed ARIA and SEED encryption algorithms, rather than the internationally standardized Advanced Encryption Standard (AES) algorithm in widespread use worldwide. Although ARIA and SEED are aligned with ISO standards, they are primarily used in Korea. This restriction has *de facto* significantly limited U.S. suppliers' access to this market as it requires the development of a Korea-specific product line, which may not be commercially viable. The United States

has urged Korea to ensure that equipment based on widely used standards has full access to Korea's public sector market. In September 2024, the NIS announced it will also recognize AES and introduce a Multi-Level Security (MLS) scheme in 2025.

Cloud Security Certification for Public Sector Cloud Service Procurement

The Cloud Security Assurance Program (CSAP) was created by the Korea Internet and Security Agency in 2016 and elevated from administrative guidance to a legal requirement through a March 2022 revision to the Cloud Computing Promotion Act. The CSAP, which applies to Korea's central, provincial, and local public sector with very limited exceptions, creates significant barriers to foreign cloud service providers (CSPs) seeking to sell to Korea's public sector. CSPs are required to create physically segregated facilities for exclusive use by government-owned customers, comply with data localization of cloud systems, create backup systems and data, and ensure that operations and management personnel of cloud service providers are located within the territory of Korea to obtain the low-tier certification. CSPs must also use only NIS-certified encryption algorithms (ARIA or SEED).

The potential market from which U.S. providers are being excluded is large and growing. In August 2022, Korea began a review of the CSAP with a view to reform it in a way that would open market access possibilities for foreign service providers, indicating it would benchmark the U.S. Federal Risk and Authorization Management Program (FedRAMP). On January 19, 2023, Korea revised the Notification of the Security Certification for Cloud Computing Services to introduce a three-tiered scheme dividing all public networks into three risk tiers under the CSAP, which still creates significant barriers to U.S. CSPs seeking to sell to Korea's public sector. Only those CSPs that have at least the mid-tier CSAP certification can effectively participate in the government's digital transformation initiative. The United States raised this issue on May 16, 2024 and urged Korea to align its cloud security certification requirements with other internationally accepted standards. In September 2024, NIS announced it will waive the local encryption algorithm requirement up to the mid-tier CSAP certification.

Offsets in Defense Procurement

The Korean Government has pursued policies that prioritize local technology and products over foreign defense technology through its defense offset program. An offset obligation may arise for a foreign contractor should the value of the defense contract exceed \$10 million.

INTELLECTUAL PROPERTY PROTECTION

In general, Korea has a strong regime of intellectual property (IP) protection and enforcement. Under KORUS, Korea agreed to strong enforcement provisions for various types of IP rights and agreed to join key multilateral IP agreements. Moreover, the Korean Government prioritizes IP protection, as Korea is a significant creator of IP. Nevertheless, some IP-related concerns remain, including with respect to: the transshipment of counterfeit goods, especially via small express-shipped parcels; geographical indications; and a lack of civil and criminal penalties sufficient to deter IP violations. The United States continues to work with Korea to improve these areas.

SERVICES BARRIERS

Audiovisual Services

Notwithstanding KORUS commitments not to impose new restrictions, multiple Korean Government agencies and the National Assembly have been discussing ways to incorporate online media streaming

platforms into the existing restrictive regulatory framework for legacy media, including potential Korean content requirements for U.S. over-the-top platforms.

Insurance Services

Reinsurance firms are not able to transfer information outside Korea as required in their ordinary course of business and as provided under KORUS. Korea's Financial Services Commission (FSC) informed the U.S. Government in 2022 and in 2024 that it changed its interpretation of relevant rules under the Personal Information Protection Act such that U.S. reinsurance companies can send personal information of primary insurance policy holders outside Korea for purposes of data processing, risk management, and underwriting. In a September 23, 2024 KORUS Financial Services Committee meeting, progress was made in clarifying important outstanding questions around the use of a revised consent form and changes to Korean law. However, there is no public written documentation of this upon which industry could rely for legal certainty, and U.S. reinsurance companies continued to report in 2024 that they have not been able to send information cross-border in the absence of such certainty.

Professional Services

Since 2013, Korea has taken steps to open its legal services market, as outlined in KORUS. The amended Foreign Legal Consultants Act now allows foreign law firms to open foreign legal consultant offices in Korea and to enter into "cooperative agreements" with Korean firms to handle cases jointly where domestic and foreign legal issues are mixed. Foreign-licensed lawyers and firms have been able to establish joint ventures and hire Korean-licensed lawyers since 2017, but several requirements discourage U.S. companies from doing so. The Act limits a foreign law firm's ownership of the joint venture to 49 percent and requires that the firms composing the joint venture have been in operation for at least three years in the home jurisdiction. The Act also requires foreign and Korean law firms participating in a joint venture to establish a new separate legal entity under Korean law. In addition, the Act limits the scope of practice of joint ventures. These provisions undermine the legislation's purpose of facilitating trade in legal services between the two countries.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Network Usage Fees

Since 2021, a number of bills have been introduced in the National Assembly that would require foreign content providers to pay network usage fees to Korean Internet service providers (ISPs). Because some Korean ISPs are also themselves content providers, fees paid by U.S. content providers could benefit a Korean competitor. Furthermore, such a mandate could be anticompetitive by further strengthening Korea's ISP oligopoly of three major providers to the detriment of the content industry. The United States raised this issue with Korea on several occasions throughout 2024.

Competition Policy

In 2024, the Korean Government, including the Korea Free Trade Commission and the National Assembly, considered proposals to regulate certain suppliers of digital services that meet global and national revenue thresholds. These proposals would apply to a number of large U.S. companies operating in the Korean market. The proposals also appear to apply to two large Korean companies, but exclude a number of other major Korean companies as well as companies from other countries. The proposals include a number of *ex ante* prohibitions and obligations that would apply to companies to address competition issues in the Korean market. U.S. companies have urged the Korean Government to take a more deliberative approach to these

issues, including by conducting a comprehensive market analysis to assess the level of competition and a regulatory impact assessment of the proposed measures. The United States continues to urge Korea to improve its engagement with this sector by enhancing transparency and providing meaningful opportunities for stakeholder input.

Location-Based Data

Korea's restrictions on the export of location-based data have led to a competitive disadvantage for international suppliers seeking to incorporate such data into services offered from outside Korea. For example, foreign-based suppliers of interactive services incorporating location-based functions, such as traffic updates and navigation directions, cannot fully compete against Korean companies because locally-based competitors typically are not dependent on foreign data processing centers and do not need to export location-based data. Korea is the only significant market in the world that maintains such restrictions on the export of location-based data. While there is no general legal prohibition on exporting location-based data, exporting such data requires a license. As of December 31, 2024, Korea had never approved a license to export cartographic or other location-based data, despite receiving numerous applications from foreign suppliers.

Data Localization

The 2011 Personal Information Protection Act (PIPA) imposes restrictions on the transfer of personal data outside Korea. In 2023, the PIPA was substantially revised, and the Korean Personal Information Protection Commission (PIPC) adopted an Enforcement Decree that took effect in March 2024. These changes provide the PIPC with new authority to impose fines on service providers based on their global revenue rather than revenue in Korea, and to order the suspension of cross-border transfer of personal data. The PIPA permits the transfer of personal data outside of Korea only in limited circumstances, such as when the service provider has obtained a separate consent from the data subject to transfer data outside of Korea, when the recipient of the data has obtained a privacy certification recognized by the PIPC, or when the data is transferred to a country that the PIPC has determined provides an equal level of data protection, among others. These restrictions pose barriers to the cross-border provision of based services that depend on data storage and processing.

National Core Technology Barriers to Using U.S. CSPs

Under the Act on Prevention of Divulgence and Protection of Industrial Technology (Industrial Technology Protection Act), MOTIE maintains a list of national core technologies that, if leaked overseas, could adversely affect national security. This includes technologies in the semiconductor, automotive, robotics, and aircraft sectors. MOTIE does not allow the use of foreign CSPs for national core technology workloads, claiming that U.S. CSPs may export data overseas. U.S. stakeholders have been working with MOTIE on new guidelines for using cloud computing for companies working on national core technologies and urged MOTIE to release the guidelines as soon as possible.

INVESTMENT BARRIERS

Korea maintains various restrictions on foreign investment in the telecommunications and broadcast media sectors. Korean law prohibits foreign investment in radio and terrestrial broadcasting operations; limits foreign ownership to no greater than 25 percent in news agency activities; and limits foreign ownership to no greater than 49 percent in television programming and content distribution, cable and satellite broadcasting services, and wired, wireless, satellite, and other telecommunications. Since March 2015, Korea has permitted U.S. investors to hold up to 100 percent ownership of a television program provider

not engaged in news reporting, multi-genre programming, or home shopping. Foreign cable and satellite retransmission channels are limited to no greater than 20 percent of the total number of operating channels.

In addition to these restrictions, Korea prohibits foreign ownership in the nuclear power generation sector and limits foreign ownership to no greater than 30 percent in hydroelectric, thermal, solar, and other forms of non-nuclear power generation. Korea also limits foreign ownership to no greater than 50 percent for enterprises engaged in raising beef cattle; meat wholesaling; electric power sale, transmission, and distribution; coastal passenger and freight transport; domestic and small air transport; and newspapers, magazines, and periodicals.

OTHER BARRIERS

Motor Vehicles

Increased access to Korea's automotive market for U.S. automakers remains a key priority for the United States.

The U.S. Government has raised concerns about Korea's emission-related components (ERC) regulations under Korea's Clean Air Conservation Act. Vehicle manufacturers and importers are required to obtain either a modification certification (for a substantial modification of ERCs) or prepare modification reports for insignificant changes. However, the automobile industry has expressed concern about lack of clarity over what types of modifications fall under which category. Automakers also have noted that violations with respect to imports could be subject to criminal prosecution by Korea's customs authorities, which lack authority to investigate domestically manufactured vehicles.

Pharmaceuticals and Medical Devices

The U.S. pharmaceutical and medical device industries continue to report concerns regarding a lack of transparency in Korea's pricing and reimbursement policies and a lack of substantive opportunities for stakeholder input into proposed policy changes. Industry has raised similar transparency concerns regarding Korea's Innovative Pharmaceutical Company (IPC) Accreditation policy, under which the Ministry of Health and Welfare designates certain companies as IPCs that can receive tax credits, research and development support, and more favorable premiums, but does not offer an explanation to companies that are denied the accreditation.

The United States continues to urge Korea to improve its engagement with this sector by enhancing transparency and providing meaningful opportunities for stakeholder input.

LAOS

TRADE AGREEMENTS

The United States–Laos Trade and Investment Framework Agreement

The United States and Laos signed a Trade and Investment Framework Agreement (TIFA) on February 17, 2016. The Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Laos. The United States signed a bilateral trade agreement with Laos which entered into force on February 4, 2005.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Laos's average Most-Favored-Nation (MFN) applied tariff rate was 8.6 percent in 2023 (latest data available). Laos's average MFN applied tariff rate was 11.2 percent for agricultural products and 8.1 percent for non-agricultural products in 2023 (latest data available). Laos has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound MFN tariff rate of 19.2 percent, as all of its WTO accession commitments came into force in 2023.

Taxes

On October 9, 2023, a Laos presidential decree raised excise taxes on six categories of products including gasoline vehicles, with progressively higher tax rates aligned with engine size, such that vehicles with engines over 5,000 cubic centimeters would be subject to a tax rate of 220 percent. U.S. automobile brands dominate the market for larger engines. Stakeholders have raised concerns that the decree was issued without adequate consultation.

Non-Tariff Barriers

Foreign Currency from Exports

On May 2, 2024, the Bank of the Lao (BOL) imposed Decision No. 333 establishing minimum requirements and a strict timeline for converting income received in foreign currency into national currency. Exporters are required to exchange a minimum percentage of payments received in foreign currency from the export of goods and services through their import-export bank account within a specific timeframe. Both the percentage of income and the timeline vary by sector. Commercial banks are required to then sell at least 30 percent of the foreign currency they buy from export operators to the BOL by the following working day. Stakeholders have raised concerns that the decree was issued without adequate consultation.

Import Bans

On August 6, 2024, the Ministry of Industry and Commerce of Laos imposed a temporary halt on the importation of light motor vehicles including SUVs, sedans, vans, and pickup trucks with a CIF (Cost, Insurance, and Freight) valued at over \$50,000. Light motor vehicles worth more than \$50,000 imported for essential work or related to international obligations, such as those for use by the government,

embassies, or international organizations, are allowed with government approval. According to the Lao Government, “the temporary suspension will be effective from August 20 to December 31, 2024, or until further notice.” Stakeholders have raised concerns regarding the ban and that the decree was issued without adequate consultation.

Customs Barriers and Trade Facilitation

Laos notified its customs valuation legislation to the WTO in July 2013, but has not yet responded to the WTO Checklist of Issues that describes how the Customs Valuation Agreement is being implemented.

TECHNICAL BARRIERS TO TRADE

Vehicles

Laos’s Government Decree No. 470 of 2019 on the management of land vehicles requires that imported vehicles, registered and used in Laos, meet regional and international standards and are in accordance with the international obligations of Laos. Under the Association of Southeast Asian Nations (ASEAN) Mutual Recognition Agreement on Type Approval for Automotive Products, the ASEAN members established a procedure for accepting or recognizing conformity assessment results with reference to the United Nations Economic Commission for Europe (UNECE) 1958 Agreement regulations. Further regulations are anticipated, and the United States will continue to monitor the development of proposed regulations in 2025 to promote acceptance of imported vehicles that meet the high standards contained in the U.S. Federal Motor Vehicle Safety Standards.

INTELLECTUAL PROPERTY PROTECTION

Laos continues to improve its intellectual property (IP) regime, including by amending the Law on Intellectual Property to enhance IP protection in the country, which entered into force on January 24, 2024; and also continues to increase public awareness and media coverage of the harm caused by counterfeit goods and the impact of copyright piracy on local content industries. With U.S. Government assistance, Laos continues to work to establish an effective system for civil and criminal enforcement of IP. However, counterfeit and pirated goods continue to be available in Lao marketplaces.

MALAYSIA

TRADE AGREEMENTS

The United States–Malaysia Trade and Investment Framework Agreement

The United States and Malaysia signed a Trade and Investment Framework Agreement on May 10, 2004. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Malaysia.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Malaysia's average Most-Favored-Nation (MFN) applied tariff rate was 5.6 percent in 2023 (latest data available). Malaysia's average MFN applied tariff rate was 7.4 percent for agricultural products and 5.3 percent for non-agricultural products in 2023 (latest data available). Malaysia has bound 83.8 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 21.1 percent. Malaysia's maximum WTO bound tariff rate varies significantly by product group, for example, from 5 percent for petroleum to 251 percent for dairy products.

Duties for tariff lines where there is significant local production are often higher. In general, tariffs are lower for raw materials than for value-added goods.

Taxes

Malaysia continues to assess a higher excise tax on imported distilled spirits than on spirits that are predominantly produced domestically. Malaysia maintains very high excise taxes on motor vehicles, ranging from 60 percent to 105 percent, based on vehicle type and engine size.

Non-Tariff Barriers

Import Restrictions on Motor Vehicles

Malaysia imposes import restrictions on automobiles under the Malaysian National Automotive Policy, which makes a fundamental distinction between “national” cars (*e.g.*, domestic automakers Proton and Perodua) and “non-national” cars, which include other vehicles produced or assembled in Malaysia, as well as imports. The Malaysian system of “national approved permits” confers on permit holders the right to import and distribute cars and motorcycles. The national approved permits system is administered in a non-transparent manner and is used to implement a cap on the total number of vehicles that can be imported each year, currently set at 10 percent of the domestic market. In addition, Malaysia applies high tariffs in the automobile sector and has traffic restrictions and noise standards that affect the usage of large motorcycles.

In its 2024 federal budget, the Malaysian Government proposed import and excise duty exemptions for imported electric vehicles (EVs) through December 31, 2025, and through December 31, 2027, for locally assembled EVs.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Halal Import Requirements

Malaysia requires that all imported meat (besides pork) and animal-based products, including dairy products, obtain halal certification from an approved Foreign Halal Certification Body (FHCBC) as a condition of entry. Additionally, Malaysia's halal requirements are more prescriptive than relevant international practices. Specifically, Malaysia requires slaughter plants to maintain dedicated halal production facilities and to ensure segregated storage and transportation facilities for halal and non-halal products. In contrast, relevant international practices allow for halal food to be prepared, processed, transported, or stored using facilities that have been previously used for non-halal foods, provided that Islamic cleaning procedures have been observed. U.S. industry has expressed concerns regarding the costs of creating new, segregated production facilities to access Malaysia's market.

Additionally, the halal practices at each individual U.S. meat and poultry plant must be inspected by Malaysia's Department of Islamic Development (JAKIM) and certified by a JAKIM-accredited FHCBC before the plant can export to Malaysia. Malaysia's Department of Veterinary Services (DVS), in conjunction with JAKIM, previously approved one U.S. beef plant and one U.S. turkey plant to export halal products to Malaysia. In October 2023, Malaysia unexpectedly suspended imports from the sole approved U.S. beef plant following an audit by DVS and JAKIM due to alleged halal concerns. JAKIM did not accept input or corrective actions from the plant. The United States is working to improve communication and engagement on halal issues with the Malaysian Government.

Facility Registration Requirements

In addition to halal certification requirements, Malaysia requires that all meat, poultry, and dairy facilities that export to the country be registered by DVS. This process requires submission of an application with extensive supporting documentation for DVS review, which can take several months. Following the application review, meat and poultry products are subject to plant-by-plant on-site inspection by DVS and JAKIM. For all products subject to registration, DVS requires additional documentation to make any adjustment to registration parameters (e.g., introduction of a new product in an approved plant and clerical changes to plant numbers or addresses). Updating the registration can involve additional delays of weeks to months. U.S. industry reports that the registration system is overly burdensome, creates significant delays, and is unnecessary in light of the United States' long history of supplying safe animal products to Malaysia.

Additionally, facilities that successfully complete the registration process with DVS continue to face challenges as a result of the extensive process. Minor differences between export certificate and facility details in the registration system can result in detained shipments that often take several days to weeks to clarify.

Restrictive Regulations on Alcoholic Beverages

Malaysia's Food Regulations of 1985 narrowly defines alcoholic beverages in a manner that does not provide for the sale of new products that do not fit neatly within certain defined product categories. As a result, Malaysia prohibits the importation of products that do not meet these defined categories. The United States is concerned that U.S. malt-based and spirit-based ready-to-drink products are not permitted in

Malaysia, even though similar wine-based beverages are allowed. The United States continues to engage with Malaysia on its regulations for alcoholic beverage products, including its potentially trade-restricting definitions for alcoholic beverages.

Live Poultry and Poultry Products

In June 2022, Malaysia banned all live poultry and poultry products from the United States due to concerns about highly pathogenic avian influenza (HPAI). In December 2022, the U.S. Department of Agriculture Animal and Plant Health Inspection Service (APHIS) proposed a regionalization arrangement, which would limit suspension of poultry trade to those areas affected by HPAI. The regionalization arrangement would also allow for resumption of trade when the outbreak is controlled. APHIS has subsequently provided additional information about its HPAI control programs at DVS's request, but to date Malaysia has not completed internal decision making to begin discussion of a regionalization arrangement.

GOVERNMENT PROCUREMENT

Malaysia generally invites international tenders only when domestic goods and services are unavailable. In those cases, foreign companies are required by law to take on a local, Bumiputera (indigenous ethnic Malay)-qualified partner before their tenders will be considered.

Pharmaceutical Procurement Requirements

The Malaysian Government has procurement preferences for locally manufactured pharmaceutical products, which discourage the use of imported pharmaceuticals. The Malaysian Government also provides incentives for local production. For example, the Government announced that it will grant three-year procurement contracts to companies that shift production of imported pharmaceutical products to Malaysia, with the potential for a two-year extension if those locally-produced products are exported.

Malaysia is not a Party to the WTO Agreement on Government Procurement, but has been an observer to the WTO Committee on Government Procurement since July 2012.

INTELLECTUAL PROPERTY PROTECTION

Malaysia has been in the process of reforming its intellectual property (IP) laws, including laws governing copyrights, patents, and trademarks. Malaysia has adopted the Copyright (Amendment) Act of 2022, which contains provisions that create a new criminal offense for committing copyright infringement with streaming. The amendment entered into force on March 18, 2022. Malaysia also continues to take steps to enhance its IP enforcement regime.

However, concerns remain in several areas. Counterfeit goods are widely available, as highlighted by the continued inclusion of Petaling Street Market in Kuala Lumpur in the 2024 Review of Notorious Markets for Counterfeiting and Piracy (Notorious Markets List). In addition, online, book, and journal piracy remain as challenges for right holders. The United States urges Malaysia to continue its efforts to improve protection against unfair commercial use, as well as unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products, and to enhance criminal sanctions for trade secret theft and misappropriation.

SERVICES BARRIERS

Financial Services

Best Interest Test

Under the Financial Services Act, Bank Negara Malaysia (Malaysia's central bank) evaluates potential investments in financial institutions based on whether the investment serves the "best interests of Malaysia," the criteria for which include evaluating the level of Malaysian participation in the sector. Bank Negara Malaysia limits foreign ownership to a maximum of 70 percent in domestic Islamic banks, investment banks, and insurance companies, and to a maximum of 30 percent in commercial banks.

Bank Negara Malaysia continues to limit foreign banks to eight physical branches in Malaysia and imposes certain other restrictions. For example, foreign banks cannot set up new branches within 1.5 kilometers of an existing local bank, and Bank Negara Malaysia considers ATMs as equivalent to separate branches. In addition, Bank Negara Malaysia has conditioned foreign banks' ability to offer some services on commitments to undertake certain back-office activities in Malaysia.

Malaysia maintains some restrictions on the business of reinsurance, requiring that Malaysian insurers first seek reinsurance from local reinsurers, and then from reinsurers based in the Labuan territory, before obtaining cross-border reinsurance. Also, primary insurers must offer Malaysian Re, the national reinsurer, up to 15 percent of certain lines of both proportional and non-proportional treaty reinsurance, and for facultative and engineering reinsurance up to a certain amount.

Telecommunications Services

Cabotage Policy on Undersea Cable Repairs

In 2019, the Malaysian Ministry of Transport issued an exemption to the Merchant Shipping Ordinance of 1952 that allowed non-Malaysian ships to conduct submarine cable repairs in Malaysian waters. The exemption reduced the time required to conduct submarine cable repairs critical for continued Internet, voice, and data traffic. In November 2020, the new Minister of Transport revoked the exemption. On June 1, 2024, the government reinstated the exemption, though this exemption can be rescinded at any time without notice. U.S. stakeholders continue to raise concerns about the non-permanent nature of the exemption, which raises uncertainty about the timeliness of future critical submarine cable repairs.

Broadcast and Screen Quota

Malaysia requires that broadcast stations, through broadcast licensing agreements, devote 80 percent of terrestrial airtime to local Malaysian programming. Broadcast stations are also banned from broadcasting foreign programming during prime time.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Shutdowns and Other Threats to the Open Internet

On September 6, 2024, the Malaysian Communications and Multimedia Commission (MCMC) directed Internet Service Providers in Malaysia to redirect all Domain Name System (DNS) traffic to local DNS services, which prevented anyone in Malaysia from using a non-Malaysian DNS resolver service. This directive could restrict access to information and services, disrupting commercial operations, and thereby

undermining a free and open Internet and impeding digital trade. The MCMC has suspended its directive, but it is unclear if that is a temporary or permanent action. The United States continues to monitor the situation and any impact on U.S. trade and investment, including services exports.

INVESTMENT BARRIERS

Limitations on Foreign Ownership

Foreign investment in certain sectors is subject to local participation requirements that take the form of joint ventures with mandated minimum ownership interests held by ethnic Malaysian individuals or entities. When applying for certain operating licenses, registrations, permits, and approvals, entities with foreign ownership most commonly comply with the local participation requirements through a 70-30 equity split between the foreign investors (who are limited to a maximum of 70 percent ownership) and ethnic Malaysian individuals or entities (which must have a minimum 30 percent stake). Sector-specific regulators set the applicable local participation requirements, including in banking and insurance, education, freight forwarding and logistics, power generation, water, media and entertainment, and cable and satellite telecommunications. In the oil and gas industry, non-Malaysian firms are permitted to participate in oil services in partnership with local firms and are restricted to the maximum of 49 percent equity stake if the foreign partner is the principal shareholder. Foreign investments are also prohibited in terrestrial broadcast networks.

SUBSIDIES

Export Subsidies

Malaysia maintains several programs relating to exports, distinct from the pioneer status and investment tax allowance programs listed in Malaysia's subsidies notifications to the WTO. For example, the normal and enhanced allowance for increased exports programs provide for tax deductions of up to 70 percent of statutory income for increased exports. Malaysia has not included these measures in its WTO subsidies notifications.

MEXICO

TRADE AGREEMENTS

The United States–Mexico–Canada Agreement

The United States–Mexico–Canada Agreement (USMCA) entered into force on July 1, 2020. The USMCA maintains the zero tariffs that were in place among the three countries under the North American Free Trade Agreement and modernized the agreement to include strong, enforceable labor and environmental obligations, ground-breaking provisions to combat non-market practices, and provisions covering small and medium-sized enterprises (SMEs).

IMPORT POLICIES

Non-Tariff Barriers

Customs Barriers and Trade Facilitation

Mexico continues to provide insufficient prior notification of procedural changes, inconsistent interpretation of regulatory requirements at different border posts, and uneven border enforcement of Mexican standards and labeling rules. Often, notification of new customs or tax requirements is provided two weeks or less before entry into force, leaving U.S. exporters little time to adjust their systems to accommodate and comply with the change. Opportunity to comment on proposed regulatory amendments is also often as short as seven days. Some goods are still not allowed to be imported at all ports of entry. Restricting goods to certain ports has made it difficult for U.S. exporters to arrange for transportation and logistics, especially for electronic commerce purchases from U.S. SME exporters.

The USMCA prohibits arbitrary limits on the number of ports at which a customs broker may operate. Yet, Article 161 of Mexico's Customs law limits a broker to operate at four ports if the broker is not part of a customs agency. The United States continues to urge Mexico to amend the law to allow brokers to operate at any port where the broker is able to perform its duties.

The USMCA also requires that Mexico implement a periodic payment option for express delivery shipments, which Mexico had not done as of December 2024.

In addition, U.S. stakeholders have raised concerns about a new requirement to access simplified procedures for shipments to Mexico valued under \$2,500. On October 14, 2024, the Mexican Government finalized a new regulation that requires delivery service providers to obtain and store the tax identification number of the shipment recipient in order for simplified formalities to apply. The USMCA provides that shipments under \$2,500 must have access to simplified procedures unless they have been broken-down to avoid formal entry, and this new requirement impedes U.S. service providers from accessing these simplified procedures.

Other Market Access Barriers

Medical Devices, Supplies, and Pharmaceuticals

Industry continues to report delays of 18 months to 24 months for adjudication of sanitary registrations and import permit applications. Overall, the regulatory environment has shown minor improvements, but more structural changes need to be made to facilitate registration in Mexico. Although the Federal Commission

for Protection Against Sanitary Risks (COFEPRIS) continues to work through its backlog, companies that try to register U.S. Health and Human Services Food and Drug Administration (FDA)-approved products in Mexico continue to report delays of more than a year. Regulatory delay remains a primary barrier to entering the Mexican market for medical devices and pharmaceuticals. COFEPRIS reportedly continues to be understaffed, with insufficient capacity to grant sanitary registrations and conduct factory inspections to issue good manufacturing practices certifications within the established timeframes. COFEPRIS is in the process of implementing reliance mechanisms for approvals and inspections and, as part of these efforts, continues to hold technical regulatory discussions with the FDA to identify opportunities to improve its review process.

Glyphosate

Mexico's Secretariat of the Environment and Natural Resources (SEMARNAT) has rejected import permits for glyphosate-containing chemical products. Mexico has not provided an opportunity for public comment, submitted notifications to the World Trade Organization (WTO), or provided scientific evidence for the rejections. Glyphosate remains registered for use in Mexico.

Separately, on January 1, 2021, a decree that called for the phaseout of the use of glyphosate and glyphosate-containing products by January 31, 2024, entered into force. The decree also prohibits Mexico from using glyphosate in any government-sponsored programs during the phaseout period. A subsequent decree, published on February 13, 2023, extended the phaseout deadline to March 31, 2024. During the phaseout period, Mexico's National Council of Humanities, Sciences and Technology was tasked with studying, developing, and promoting alternatives to glyphosate. On March 26, 2024, SEMARNAT, the Secretariats of Economy and Agriculture and Rural Development, and COFEPRIS announced the postponement of the phaseout of the use of glyphosate and glyphosate-containing products until a viable alternative is found. Mexico is implementing import quotas for glyphosate and glyphosate-containing products. On July 3, 2024, COFEPRIS reduced the quota for imports of glyphosate, to 1,138 tons of formulated glyphosate and 86 tons of technical glyphosate.

The United States continues to press Mexico to grant import permits for glyphosate and glyphosate-containing products, consistent with the fact that glyphosate remains registered for use in Mexico.

Pesticides and Agricultural Chemicals

U.S. companies continue to report significant delays in receiving the necessary registration and marketing approvals from COFEPRIS for certain pesticides and agricultural chemicals. These delays appear to impact both applications for registration and applications for reregistration, sometimes involving only administrative updates such as changing the company's address. Companies report COFEPRIS is not granting registration renewals for many pesticide molecules. Consequently, some license holders have lost their registrations and the ability to import pesticides and agricultural chemicals.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Implementing Regulation for the Quality Infrastructure Law

In August 2024, Mexico published a draft implementing regulation for the July 2020 Quality Infrastructure Law on the National Regulatory Improvement Commission's (CONAMER) website. In comments

submitted to Mexico, the United States expressed serious disappointment with Mexico's decision to offer a period of only 10 business days to comment on the draft regulation. In addition, the United States emphasized concerns related to, and sought clarity on, how the regulation will impact matters including consideration of international standards and conformity assessment procedures in the development of Mexican technical regulations. The United States will continue closely monitoring the status of the draft regulation and urging Mexico to ensure the final measure is aligned with Mexico's USMCA obligations.

Local Specific Absorption Testing Requirements

The United States continues to express concerns with regulations that Mexico's telecommunications regulator, the Federal Telecommunications Institute (IFT), published in 2020 pursuant to Technical Provision IFT-012-2019 that pose a barrier to trade for mobile telecommunications products by requiring in-country testing for Specific Absorption Rates and reference out-of-date standards from the International Electrochemical Commission/Institute of Electrical and Electronics Engineers and the International Commission on Non-Ionizing Radiation Protection. The requirements include duplicative testing and may cause delays, as Mexico has a limited number of accredited facilities able to perform the required tests. The United States will continue to press Mexico to use the latest testing standards and to include testing to these standards in the scope of the Mutual Recognition Agreement between the Government of the United States of America and the Government of the United Mexican States for Conformity Assessment of Telecommunications Equipment.

Sanitary and Phytosanitary Barriers

Fresh Potatoes

Since 2003, the United States has sought access for fresh potatoes to all of Mexico, beyond a 26-kilometer zone along the U.S.–Mexico border outside of which imports were not permitted. In April 2021, the Supreme Court of Mexico affirmed the authority of Mexico's regulatory agency to expand access for U.S. fresh potatoes. Subsequently, in 2021, Mexico completed the regulatory steps necessary for access for U.S. fresh potatoes to cities with populations over 100,000 people. In May 2022, the United States began shipping fresh potatoes to Mexico beyond the 26-kilometer zone. The United States is monitoring the situation to ensure transparent and predictable access for U.S. exporters and that requirements are based on science.

Products of Agricultural Biotechnology

Mexico's Biosafety Law requires COFEPRIS to decide on a complete application for authorization covering the importation and sale of genetically engineered (GE) products within six months of receipt. The United States has expressed serious concerns that certain decisions on applications were not based on science and were subject to significant delays.

On February 13, 2023, the Mexican Government published a decree that bans the use of GE corn in tortillas and dough and instructs Mexican Government agencies to gradually substitute—*i.e.*, restrict and eventually ban—the use of GE corn in all products for human consumption and for animal feed. In March 2023, the United States requested and held technical consultations with Mexico regarding its measures concerning GE products under the USMCA Sanitary and Phytosanitary Measures Chapter, but the consultations did not resolve the matter. In June 2023, the United States requested and held dispute settlement consultations with Mexico regarding its measures under the USMCA Dispute Settlement Chapter, but these consultations also failed to resolve the matter. On August 17, 2023, the United States established a USMCA dispute settlement panel challenging the aforementioned measures reflected in Mexico's February 13, 2023 decree on the basis that these measures are not based on science and undermine the market access Mexico agreed

to provide in the USMCA. In June 2024, the United States participated in a hearing before the dispute settlement panel. In December 2024, a final panel report was published, in which the panel agreed with the United States on all seven legal claims under the USMCA. On February 5, 2025, Mexico published a measure that declares ineffective the measures that USTR successfully challenged in the USMCA dispute. The United States will continue to monitor closely Mexico's compliance with its USMCA commitments to ensure that Mexico's agricultural biotechnology measures are based on science and provide U.S. corn growers the market access that Mexico agreed to provide in the USMCA.

Genetically Engineered Cotton

Mexico rejected applications for cultivation of GE cotton in 2019 and 2020. No applications were submitted in 2021, 2022, and 2024. In 2023, companies submitted three applications for experimental field trials of new GE cotton varieties. Mexico had not decided on these applications as of December 31, 2024. GE cotton has been cultivated in Mexico for 25 years with no evidence of adverse impact on the environment, biodiversity, or animal or plant health. The United States continues to press Mexico to reconsider rejected applications, complete its approval procedure without undue delay, and use a science- and risk-based approval process.

INTELLECTUAL PROPERTY PROTECTION

Mexico was listed on the Watch List in the [2024 Special 301 Report](#). Obstacles to U.S. trade in intellectual property (IP) intensive goods and services include the wide availability of pirated and counterfeit goods, via both physical and online markets. As broadband access increases, so has online piracy, and stakeholders report that Mexico has one of the highest rates of music and video game piracy in the world. Overall criminal enforcement of IP rights, including online, continues to be characterized by weak coordination among federal, state, and municipal officials; limited resources for prosecutions; the lack of sustained investigations targeting suppliers of counterfeit and pirated goods and services; and the lack of sufficient penalties to deter violations. Brand owners also face bad faith trademark registrations, making it important for companies to register their trademarks early. Moreover, rights holders continue to express concern about the length of administrative and judicial patent and trademark infringement proceedings and the persistence of continuing infringement while cases remain pending. The El Santuario and the Mercado San Juan de Dios markets in Guadalajara and the Tepito market in Mexico City are listed in the [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List) for selling pirated and counterfeit goods.

With respect to geographical indications (GIs), Mexico and the European Union (EU) concluded negotiations on a free trade agreement in which Mexico agreed to protect hundreds of names for foodstuffs, wines, and beers. The United States remains concerned about the EU practice of negotiating product-specific IP outcomes as a condition of market access and reiterates the importance of each individual IP right being evaluated on its individual merit in Mexico. In a USMCA side letter, Mexico confirmed that market access of U.S. products is not restricted in Mexico due to the mere use of certain individual cheese terms. Mexico has a *sui generis* system of protection for GIs that includes certain elements aimed at improving and respecting due process and transparency.

In 2020, Mexico enacted a new Federal Law for the Protection of Industrial Property and amended its Federal Copyright Law and Federal Criminal Code with a view to complying with various provisions of the USMCA and strengthening IP protection. Mexico is still in the process of drafting regulations for both the Federal Law for the Protection of Industrial Property and the Federal Copyright Law amendments, and the lack of regulations is creating uncertainty for the creative and innovative sectors looking to protect and enforce their IP. In June 2024, the Mexican Supreme Court upheld the constitutionality of Mexico's

USMCA implementing legislation related to copyright, specifically those that concern criminal sanctions for circumvention of technological protection measures and notice and takedown procedures.

SERVICES BARRIERS

Electronic Payments Services

The United States continues to closely monitor developments with respect to Mexico's evolving policy framework for electronic payment service suppliers. Aspects of the existing policy framework limit the ability of U.S. electronic payment service suppliers to supply their complete suite of value-added services on a cross-border basis, including fraud protection, and differentiate themselves in the marketplace. On September 14, 2023, Mexico's Federal Economic Competition Commission identified barriers to competition in the card payment processing market and issued recommendations to Mexico's Central Bank—Banxico—and the National Commission for Banking and Securities to restore conditions for competition. As Mexico considers updating its regulations, the United States continues to urge Mexico to facilitate a competitive market and level playing field for U.S. electronic payment service suppliers, aligned with Mexico's USMCA obligations.

Mexico issued regulations in 2021 relating to the use of cloud service suppliers by electronic payment fund institutions. The United States continues to be concerned by the length, complexity, and uncertainty of the approval process for electronic payment fund institutions that seek to use secure, U.S.-based cloud computing services, raising questions about the extent to which the approvals are tacitly being conditioned on using local computing facilities.

Insurance Services

Multiple U.S. companies report that Mexico's Tax Administration Service (SAT) has changed its interpretation of its laws and that, as a result, insurance companies have been required to retroactively pay value-added tax on damage claims stretching as far back as 2015. U.S. companies have expressed concerns that SAT is not applying the law in a sound and consistent manner and that this sudden change may lead to insolvency for some insurers in Mexico.

Telecommunications Services

Notwithstanding the sweeping reforms of the telecommunications sector in 2013 and 2014, new market entrants still must compete with the traditional dominant supplier, which has maintained a market share of almost 70 percent and was designated as a "preponderant economic agent" by the IFT. The entrenched position maintained by this dominant supplier, particularly regarding the mobile services market, demonstrates the continued need for vigilant enforcement of the regulations IFT adopted to address that supplier's status as a preponderant economic agent. A December 2024 constitutional amendment that eliminates certain independent, autonomous regulatory agencies in Mexico, including the IFT, has raised significant concerns regarding Mexico's continued compliance with its USMCA obligations. While IFT still existed as of December 2024, the Mexican Government plans to pass secondary laws that will place some IFT functions into a new digital transformation and telecommunications agency and other functions into a new anti-monopoly competition agency.

The cost of spectrum in Mexico is one of the highest in Latin America. Although Mexico assigns spectrum licenses through competitive auctions, it imposes a substantial annual fee based on the amount of spectrum held by each licensee. This approach is out of sync with international best practices. It appears that the structure of Mexico's annual spectrum fee may advantage the dominant supplier and led another supplier

to return to the Government of Mexico all the spectrum it had been awarded. The Government of Mexico dismissed several proposals to lower the costs made by the IFT and the private sector. The United States continues to press Mexico to consider changes to its rules that would lower overall costs for spectrum and address the market power of the dominant supplier.

INVESTMENT BARRIERS

Energy Sector

Since December 2018, Mexico has pursued an energy policy centered on reinstating the primacy of its state-owned electric utility, Federal Electricity Commission (CFE), and state-owned oil and gas company, Mexican Petroleum (PEMEX). Mexico has undertaken various measures to achieve this aim. For example, in March 2021, the Mexican Congress amended its Electric Power Industry Law to require Mexico's national grid operator to prioritize the supply of CFE-generated electricity into the grid over electricity generated by private power companies, regardless of cost or environmental impact.

Additionally, private companies operating in Mexico are often unable to participate effectively, if at all, in Mexico's energy sector due to frequent delays, unexplained or unjustified rejections, and inaction regarding applications for new permits or permit modifications. Unexplained or unjustified suspensions or revocations of existing permits, as well as other impediments, also undermine private companies' ability to operate renewable energy facilities (*e.g.*, wind and solar installations), import or export electricity or fuel, store or transload fuel, and build or operate retail fuel stations.

In addition, in December 2019, Mexico's energy regulator granted PEMEX an extension to 2026 to comply with maximum sulfur content requirements under its fuel standard for certain parts of Mexico. This extension temporarily exempts PEMEX from having to sell only ultra-low sulfur diesel fuel throughout the country. Without the extension, PEMEX would have had to import ultra-low sulfur diesel fuel from the United States or upgrade its facilities to produce ultra-low sulfur diesel in sufficient quantities.

In June 2022, Mexico's Secretary of Energy announced a new policy that would require users of Mexico's gas transportation network to source natural gas from either PEMEX or CFE. Multiple U.S. companies have reported exiting Mexico's energy market as a direct consequence of these measures. In July 2022, the United States requested consultations with Mexico under USMCA Chapter 31 regarding these measures, and the United States continues to engage with Mexico in these consultations on specific and concrete steps Mexico must take to address the concerns set out in the consultations request.

In January 2024, the Mexican Supreme Court found unconstitutional key parts of the 2021 amendment to the Electric Power Industry Law. However, in October 2024, Mexico ratified a constitutional amendment to reclassify CFE and PEMEX as "public enterprises" rather than "productive enterprises" in an effort to undermine the participation of private companies, including U.S. companies, in Mexico's energy market. In January 2025, President introduced a reform package of six energy-related bills that, *inter alia*, include as a principle a guarantee of CFE's prevalence and its maintenance of at least 54 percent of the average energy sent to the grid, require CFE ownership of at least 54 percent in any "mixed investment" electricity generation projects, and set out a preference for CFE over private individuals in electricity generation and marketing.

Separately, in August 2024, the Constitutional Committee of Mexico's Chamber of Deputies approved a proposed constitutional amendment that would prohibit the extraction of liquid and gaseous hydrocarbons through fracking, except in cases determined by the Government of Mexico for strategic national

development reasons. As of December 31, 2024, the proposed amendment has not yet been voted on by the full Chamber of Deputies.

Mining Sector

The Government of Mexico passed legislation in April 2022 amending the national mining law to establish greater state control over the country's lithium resources. The amendments place the exploration, exploitation, and utilization of Mexico's lithium under the exclusive control of a newly created state-owned company, LitoMx, and exclude private companies from concessions, licenses, contracts, permits, and authorizations to undertake those activities. The amendments also authorize the government to declare other minerals as "strategic resources" that would allow greater state control in the future. As of December 31, 2024, the Mexican Government was still drafting implementing measures for the amendments. The United States continues to monitor Mexico's implementation of these amendments.

In August 2024, the Constitutional Committee of Mexico's Chamber of Deputies approved a proposed constitutional amendment that would ban open-pit mining activities relating to the exploration, exploitation, benefit, or use of minerals, metals, and metalloids, except in cases determined by the Government of Mexico for strategic national development reasons. As of December 31, 2024, the proposed amendment had not been voted on by the full Chamber of Deputies.

Restricted Sectors

Mexico restricts foreign investment in certain sectors under the Foreign Investment Law. Certain sectors, such as transportation infrastructure, are entirely closed to foreign investment. Foreign ownership is capped at 49 percent for express delivery companies and land for agricultural, livestock, and forestry purposes, as well as port administration services.

MOROCCO

TRADE AGREEMENTS

The United States–Morocco Free Trade Agreement

The United States–Morocco Free Trade Agreement (USMFTA) entered into force on January 1, 2006. Morocco immediately eliminated duties on 95 percent of industrial and consumer goods. Morocco implemented phased tariff reductions culminating in the complete elimination of duties on most goods by 2016. Some sensitive agricultural products have longer periods for duty elimination and may be subject to other provisions, including tariff-rate quotas (TRQs). Goods from key U.S. export sectors such as information technology, machinery, construction equipment, chemicals, and textiles receive either duty-free or other preferential duty treatment when entering Morocco. The United States and Morocco consult regularly to review the implementation and functioning of the Agreement and to address outstanding issues. The United States–Morocco Joint Committee is the central oversight body for the USMFTA.

IMPORT POLICIES

Tariffs

On January 1, 2024, as prescribed in the USMFTA, Morocco published Circular 6519/222, announcing tariff changes for calendar year 2024. The circular includes a list of products for which tariffs have been phased out in 2024, products for which tariffs are not yet fully liberalized, and updated agricultural TRQs and agricultural safeguard measures for the period from January 1 through December 31, 2024. A notable change includes the imposition of additional safeguard measures on frozen, fresh, or chilled chicken legs and wings.

TECHNICAL BARRIERS TO TRADE/ SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

In 2023, Morocco adopted Decree No. 2.10.421 of Ramadan 5, 1445 which stipulates that starting in January 2024, vehicles that are not aligned with the Euro 6b standard for emissions may no longer be registered in the country. Heavy vehicles have an additional 24 months to comply. Morocco generally only allows the importation of automobiles meeting the United Nations Economic Commission for Europe (UNECE) 1958 Agreement vehicle standards, effectively barring many automobiles produced in the United States from entering the Moroccan market. Although the Moroccan Government has officially allowed for the importation of automobiles that meet the U.S. Federal Motor Vehicle Safety Standards since 2016 (under Decree No. 2-15-89 of Ramadan 3, 1437), U.S. companies continue to report that Moroccan Customs has still not adopted a procedure to regularize this process.

Sanitary and Phytosanitary Barriers

In October 2022, Morocco's National Office of Food Safety (ONSSA) implemented a health requirement for non-animal origin feed to originate from areas free of Highly Pathogenic Avian Influenza (HPAI) or be quarantined for 30 days upon arrival. Morocco did not notify this requirement to the World Trade Organization. The U.S. Department of Agriculture Animal and Plant Health Inspection Service has repeatedly conveyed various risk assessments to ONSSA to demonstrate that the risk of spreading HPAI

via grain shipments is unlikely or negligible. Nevertheless, Morocco continues to require an attestation by the relevant government competent authority that non-animal origin feed is free of HPAI and/or has been isolated for 30 days. The United States remains concerned as Morocco has not shared a risk assessment to support its requirement for health attestations and quarantine.

INTELLECTUAL PROPERTY PROTECTION

Inadequate intellectual property protection and enforcement in Morocco continues to be an area of concern. Although the United States acknowledges the efforts of Morocco to combat piracy and trade in counterfeit goods, Morocco faces challenges with digital piracy and continues to be a thriving market for counterfeit products.

The United States and Morocco continue to engage on matters related to Morocco's policy toward geographical indications (GIs). The United States remains concerned that the European Union (EU) has pursued negotiations with Morocco and other countries that would require partner countries to adopt overly broad protection of EU GIs as a condition of market access into the EU. The United States continues to reiterate to Morocco the importance of each GI being independently evaluated on its individual merits, with adequate due process requirements.

SERVICES BARRIERS

Although Morocco's insurance regulations do not appear to make formal distinctions based on national origin, U.S. insurance suppliers have reported that, in practice, the Moroccan regulatory body (part of the Ministry of Economy and Finance) applies an authorization process that has impeded U.S. insurance companies from introducing products that compete with Moroccan firms.

OTHER BARRIERS

U.S. firms have cited irregularities with regard to certain government procedures, including a lack of clear and accessible information about new regulations and certifications relating to imports into the country, as among the greatest obstacles to investment with Morocco. In particular, U.S. companies have pointed to difficulties they encounter in processes for obtaining import permits, land use approvals, and other government permissions. U.S. companies have also noted the challenges created by rigid protocols and excessive bureaucracy, which can lead to long wait times for decisions and permissions particularly when dealing with public sector entities. Morocco's property registration procedures also continue to impede business.

In an effort to avoid an excessive drain on foreign exchange, Moroccan authorities allow Moroccan companies to prepay only up to 30 percent of a shipment's total value in advance of importation. These restrictions on purchasers are often problematic for U.S. exporters that require 100 percent advance payment. Some U.S. exporters use letters of credit to mitigate the effect of these limitations, but these are costly and many U.S. exporters report lengthy payment delays. While Moroccan officials had indicated in 2019 that the 30 percent limit would be phased out over an indefinite timeline, it remained in effect as of December 31, 2024. The United States continues to press for removal of the limitation.

NEW ZEALAND

TRADE AGREEMENTS

The United States–New Zealand Trade and Investment Framework Agreement

The United States and New Zealand signed a Trade and Investment Framework Agreement on October 2, 1992. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and New Zealand.

IMPORT POLICIES

Tariffs

New Zealand's average Most-Favored-Nation (MFN) applied tariff rate was 1.9 percent in 2023 (latest data available). New Zealand's average MFN applied tariff rate was 1.4 percent for agricultural products and 2.0 percent for non-agricultural products in 2023 (latest data available). New Zealand has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 9.5 percent.

As of 2023, New Zealand applied a zero percent duty on an MFN basis on 72.5 percent of its tariff lines in agricultural goods and on 65.1 percent of its tariff lines in non-agricultural goods.

SANITARY AND PHYTOSANITARY BARRIERS

Animal Health

New Zealand maintains restrictions on imports of pork from the United States related to concerns that certain pork products may transmit animal diseases, which do not appear to be grounded in science and risk. Imports of U.S. frozen or chilled pork products weighing more than three kilograms must be cooked, canned, or undergo further processing within New Zealand.

INTELLECTUAL PROPERTY PROTECTION

The United States continues to monitor developments to amend the Medicines Act 1981 and any developments regarding the Geographical Indications (Wine and Spirits) Registration Act 2006, particularly in light of the entry into force of the Free Trade Agreement between the European Union and New Zealand in May 2024. The United States will continue to work with New Zealand to address any intellectual property issues.

NICARAGUA

TRADE AGREEMENTS

Dominican Republic–Central America–United States Free Trade Agreement

The Dominican Republic–Central America–United States Free Trade Agreement (CAFTA–DR) entered into force for the United States and El Salvador on March 1, 2006, for Honduras and Nicaragua on April 1, 2006, for Guatemala on July 1, 2006, for the Dominican Republic on March 1, 2007, and for Costa Rica on January 1, 2009. The United States and the other CAFTA–DR countries meet regularly to review the implementation and functioning of the Agreement and to address outstanding issues.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

As a member of the Central American Common Market, Nicaragua applies a harmonized external tariff on most items (approximately 95 percent of Nicaragua’s tariff lines) at a maximum of 15 percent, with some exceptions. However, under the CAFTA–DR, as of January 1, 2015, U.S. non-agricultural goods enter Nicaragua duty free.

In addition, nearly all U.S. agricultural exports enter Nicaragua duty free under the CAFTA–DR. Nicaragua eliminated its tariffs on rice and chicken leg quarters on January 1, 2023, and has eliminated tariffs on dairy products as of January 1, 2025. For certain agricultural products, tariff-rate quotas (TRQs) permit duty-free access for specified quantities during the tariff phase-out period, with the duty-free amount expanding during that period. Nicaragua completed its tariff phase-out for white corn on January 1, 2025, through the expansion of its TRQ to 7,000 metric tons. Nicaragua is required under the CAFTA–DR to make TRQs available on January 1 of each year. Nicaragua monitors its TRQs through an import licensing system, which the United States carefully tracks to ensure the timely issuance of these permits.

Taxes

The Nicaraguan Government levies a consumption tax of 15 percent to 42 percent on certain luxury items. Since 2019, Nicaraguan customs officials have calculated this tax based on an estimated purchase price that is often inflated beyond the actual price or fair market value of these items, leading imported goods to be less cost-competitive in the Nicaraguan market. Other products, such as alcoholic beverages, are also taxed based on a presumed purchase price. The selective consumption tax may disadvantage foreign suppliers because the Nicaraguan tax authorities assess tax on domestic products based on the actual purchase price. The National Institute of Information and Development has provided a schedule of retail prices that is supposed to serve as a baseline for this tax, but businesses report that customs authorities often do not use the schedule. In addition, some large businesses report being unable to secure corporate tax refunds when the sum of their monthly estimated tax payments exceeds the amount of actual tax owed at the end of the year. Some companies have also stated that filing for a refund has resulted in additional tax complications, including audits, added taxes, and penalties.

Non-Tariff Barriers

Customs Barriers and Trade Facilitation

The Nicaraguan Customs Authority (DGA) has become increasingly aggressive in contesting declared value and the originating status of imports. This can result in importers having to pay substantial sums in unpaid duties and associated fines for shipments to be released. Businesses report that Nicaraguan customs officials routinely delay customs inspections and levy arbitrary fines for minor paperwork problems such as typographical errors. These fines can exceed the value of the shipments. U.S. exporters report that nearly all shipments are subject to physical inspection. Some businesses have expressed concern that customs officials might target shipments for additional scrutiny based on political considerations.

Starting in 2019, the DGA began seeking additional proof of country of origin for various types of products that had previously been established as originating under the CAFTA–DR, by requiring importers to complete a comprehensive questionnaire seeking detailed information about the products. Multiple businesses have reported that the requested information includes proprietary business data and trade secrets that are not pertinent to a rule of origin determination. Businesses have tried to provide proof of origin to the DGA without divulging trade secrets through site visits to production plants and staff interviews. However, the DGA has most often rejected those proposals and, in multiple cases when importers failed to complete the questionnaire, has initiated administrative processes to remove preferential treatment under the CAFTA–DR and has sought retroactive tariffs for entire periods during which the product was imported with preferential treatment. The DGA’s increased scrutiny of the proof of origin of imports has led to delays at customs and arbitrary fines for businesses. In multiple cases, the DGA also levied a separate fine that doubled the amount owed. Some importers have indicated that they prefer to immediately pay taxes and tariffs as though the goods were not eligible for preferential treatment under the CAFTA-DR, rather than engaging in lengthy and expensive litigation.

U.S. exporters have reported that the DGA has ignored or rejected documentation of origin for various products provided by U.S. Government or local government agencies as proof of origin for many agricultural commodities. The businesses contend that, in many cases, even fully completing the additional questionnaires and complying with the DGA’s requests for additional documentation has not resulted in approval of a claim for preferential treatment.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

U.S. industry has raised concerns that food product registration in Nicaragua can be complicated and arbitrary. The Nicaraguan Ministry of Health requires a Certificate of Free Sale for product registration. The United States does not issue these certificates at the national level, and they are not uniformly available to U.S. exporters. In some cases, U.S. companies have satisfied the requirement by submitting documents that are issued by some U.S. states, local government authorities, or trade organizations. However, not all U.S. manufacturers are in jurisdictions or affiliated with institutions that issue such documents and, therefore, some cannot gain approval to sell in the Nicaraguan market.

U.S. food companies have expressed concern regarding Law 842 (2013), which requires that all processed food products be marked with an expiration date. Nicaraguan officials have at times interpreted “Best By” dates, which indicate food quality or freshness rather than food safety, as expiration dates, and have destroyed products exceeding those dates. Nicaraguan importers of U.S. products have complained that

the law imposes costs on food importers, especially for products that do not typically have expiration dates. Nicaraguan importers continue to work with suppliers to include expiration dates on the translated Spanish label as required by the Central American Technical Regulation on General Labeling of Prepackaged Food Products (RTCA 67.01.07:10).

Sanitary and Phytosanitary Barriers

U.S. exporters have faced multiple container rejections since 2021 as a result of Nicaragua's interpretation of a Central American Technical Regulation for fresh/chilled/frozen meat (RTCA 67.04.50:17). Among the Central American countries applying the regulation, only Nicaragua applies a 20 percent threshold requirement for the presence of Salmonella on raw chicken. Additionally, Nicaragua enforces a 'zero tolerance' standard for Salmonella and generic *Escherichia coli* (E. coli) bacteria on raw pork meat. Most of the shipments rejected by Nicaragua have been successfully returned to the United States and passed subsequent food safety inspections by U.S. regulators.

GOVERNMENT PROCUREMENT

Suppliers have reported significant hurdles that have inhibited their ability to successfully compete for sales to Nicaraguan Government entities. Industry reports that the Nicaraguan Government has not always followed the requirements in their procurement law, including by not adhering to the minimum time periods required for open bids, creating terms of reference and technical specifications that are frequently unclear, and including requirements for financial guarantees and local legal representation that create significant challenges for U.S. firms. U.S. businesses also report that the rule of law is weak and there is corruption, which is particularly apparent in government procurement.

Nicaragua is neither a Party to the WTO Agreement on Government Procurement (GPA), nor an observer to the WTO Committee on Government Procurement. Nicaragua has binding international procurement obligations under the CAFTA–DR.

INTELLECTUAL PROPERTY PROTECTION

Despite a strong legal framework to implement CAFTA–DR commitments on intellectual property (IP) protection and enforcement, concerns remain, including optical disc and broadcast media piracy and the use of unlicensed software in Nicaragua. Furthermore, the sale of counterfeit and pirated goods is reportedly widespread throughout Nicaragua. The United States has expressed concern to the Nicaraguan Government about inadequate IP enforcement, as well as the need to ensure transparency in procedures relating to the protections for geographical indications. The United States will continue to monitor Nicaragua's implementation of its IP obligations under the CAFTA–DR.

LABOR

In December 2024, USTR initiated a Section 301 investigation into Nicaragua's acts, policies, and practices related to labor rights, human rights, and the rule of law that may be unreasonable and may burden United States commerce.

NIGERIA

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Nigeria's average Most-Favored-Nation (MFN) applied tariff rate was 12 percent in 2023 (latest data available). Nigeria's average MFN applied tariff rate was 15.9 percent for agricultural products and 11.4 percent for non-agricultural products in 2023 (latest data available). Nigeria has bound 19.7 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 120.5 percent.

Consistent with the Economic Community of West African States (ECOWAS) Common External Tariff (CET), Nigeria applies five tariff bands: (1) zero percent duty on essential social goods (*e.g.*, medicine); (2) 5 percent duty on essential commodities, raw materials, and capital goods; (3) 10 percent duty on intermediate goods; (4) 20 percent duty on consumer goods; and, (5) 35 percent duty on certain goods that the Nigerian Government has elected to afford greater protection. The CET was slated to be fully harmonized by 2020, but, in practice, some ECOWAS Member States have maintained deviations from the CET beyond the January 1, 2020 deadline.

Taxes

Nigeria maintains a number of supplemental taxes in addition to the duties on imports of certain goods, which significantly raises the effective tariff rate paid by importers. For example, Nigeria maintains a combined duty plus other associated import fees of 50 percent or more on 79 tariff lines. These include 17 tariff lines on which the combined duty plus other associated import fees reaches or surpasses the 70 percent limit set by ECOWAS.

Non-Tariff Barriers

Import Bans

The Nigeria Customs Service continues to ban the import of 25 different product categories. The list of prohibited imports currently includes: bird eggs; cocoa butter, powder, and cakes; pork; beef; live or dead birds; refined vegetable oil and fats; bottled water; spaghetti and other noodles; fruit juice in retail packs; tomatoes, tomato ketchup, and tomato sauces; nonalcoholic beverages (excluding energy drinks); bagged cement; beer and stout; all medicaments falling under Harmonized System headings 3003 and 3004; soaps and detergents; mosquito repellent coils; paper board; used motor vehicles more than 12 years old; ball point pens; most types of footwear; bags and suitcases; used clothing; and certain spirits and alcohols. The import ban list can be found on the Nigeria Customs Service's "[Prohibited Items List During Import](#)."

Customs Barriers and Trade Facilitation

Nigeria ratified the WTO Trade Facilitation Agreement (TFA) in January 2017. Nigeria's notification on the use of customs brokers was due to the WTO in December 2020, according to Nigeria's self-designated TFA implementation schedule. Nigeria submitted an incomplete notification with respect to the use of

customs brokers on November 25, 2022, and the United States will seek further information and encourage Nigeria to submit a revised notification with complete information.

The Nigeria Customs Service's practices continue to present major obstacles to trade. Importers report inconsistent application of customs regulations; lengthy clearance procedures, often due to outdated manual processing systems; and corruption. These factors sometimes contribute to product deterioration and result in significant losses for importers of perishable goods. Disputes among Nigerian Government agencies over the interpretation of regulations often cause delays, and frequent changes in customs guidelines slow the movement of goods through Nigerian ports. The customs authority has attempted to automate its processes, but many basic customs procedures are still paper-based and require an unreasonably long time to complete. On September 2, 2020, the Nigerian Government approved a \$3.1 billion customs modernization project that would include the automation of paper-based customs processes. The project was to be completed in 36 months and executed via a public-private partnership through a 20-year concession. This project has experienced implementation delays and is the subject of domestic litigation.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Transparency

Transparency of the regulatory system in Nigeria is a concern. U.S. companies have raised concerns that some regulations are issued as final measures without a clear process or period for public comment on draft regulations. Nigeria has not consistently notified draft technical regulations to the WTO Committee on Technical Barriers to Trade. Further, Nigeria has not consistently notified draft measures to the WTO Committee on Sanitary and Phytosanitary Measures. Additionally, Nigeria is not consistent in the implementation of technical regulations and sanitary and phytosanitary measures, which can create confusion and undermine compliance.

Import Certificates

Nigeria requires that all food, drug, cosmetic, and pesticide imports be accompanied by certificates from manufacturers, third-party certifiers, or exporters' national authorities, depending on the product. These certificates must attest that the product is safe for human use and consumption, even though certificate-issuing authorities do not inspect every shipment of exported food product. However, Nigeria's limited capacity to review certificates, carry out inspections, and conduct testing has resulted in delays in the clearance of food imports and has diverted imports to informal channels. Since 2019, the United States has sought to negotiate import permits for the export of several categories of U.S. food and agricultural products. Nigeria has been slow to approve these requests.

GOVERNMENT PROCUREMENT

U.S. companies have expressed concerns about corruption and a lack of transparency in procurement processes in Nigeria.

The Public Procurement Act of 2007 established the Bureau of Public Procurement (BPP) as the regulatory authority responsible for the monitoring and oversight of public procurement in Nigeria. Only majority Nigerian-owned companies may bid on procurements above ₦2.5 million (approximately \$1,600 thousand), up to ₦100 million (approximately \$64,000 thousand) for goods, and up to ₦1 billion (approximately \$640,000 thousand) for services and works. Above those thresholds, both majority foreign-owned and majority Nigerian-owned companies may engage in competitive bidding. Nigerian Government

agencies do not always follow procurement guidelines, despite the requirement that no procurement proceedings are to be formalized until the procuring entity has ensured that funds are available to meet the obligations and has obtained a “Certificate of ‘No Objection’ to Contract Award” from the BPP.

Executive Order 5 of 2018 added restrictions and obligations for public procurement related to science, engineering, and technology. The order is designed to bolster the Public Procurement Act of 2007 and directs government offices to grant preference to Nigerian suppliers.

Foreign companies may be subject to requirements that include the use of a local partner firm or requirement to join a consortium.

Nigeria has made modest progress on its pledge to conduct open and competitive bidding processes for government procurement. The BPP has made a variety of procurement procedures and bidding information publicly available on its website. However, Nigeria’s National Assembly operates its own procurement process that is not subject to BPP oversight and lacks transparency. Although U.S. companies have won contracts in various sectors, difficulties in receiving payments are common and can discourage firms from bidding. Foreign government-subsidized financing arrangements appear in some cases to be a crucial factor in the award of government procurements.

Nigeria is neither a Party to the WTO Agreement on Government Procurement (GPA), nor an observer to the WTO Committee on Government Procurement.

INTELLECTUAL PROPERTY PROTECTION

Nigeria has taken steps to improve its legal framework for intellectual property (IP) protection. On January 30, 2019, Nigeria enacted the Federal Competition and Consumer Protection Act, which includes provisions designed to combat trademark counterfeiting, and on May 21, 2021, Nigeria enacted the Plant Variety Protection Act, creating a legal framework and administrative structure for the protection of plant varieties. On March 17, 2023, the Nigerian President signed the Copyright Act, 2022 into law. The Copyright Act, 2022 includes provisions addressing technological protection measures, remuneration, and broadcasting rights and provides anti-piracy penalties, with a view toward implementing the World Intellectual Property Organization (WIPO) Copyright Treaty, WIPO Performances and Phonograms Treaty, Beijing Treaty on Audiovisual Performances; and Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled. The United States has urged Nigeria to consider whether additional amendments are needed to ensure Nigerian copyright law is in compliance with all IP treaties to which Nigeria is a party.

Counterfeit goods, including pharmaceuticals, automotive parts, and other consumer goods, remain widely available in Nigeria and often threaten the health and safety of consumers. The Nigerian National Agency for Food and Drug Administration and Control is, however, active in enforcement efforts, including frequent raids of facilities distributing and manufacturing counterfeit goods covered by the agency’s mandate. In addition, online infringements and pirated software, music, and video recordings are prevalent. IP enforcement remains inadequate due to chronically insufficient resources for enforcement agencies, porous borders, entrenched trafficking systems that make enforcement difficult, and corruption. Public awareness is low regarding the role of IP in Nigeria’s economy, despite the benefits Nigeria has seen from its growth as a regional hub for the African film, music, and fashion industries and despite the harm to consumers from counterfeit products. The Nigerian Copyright Commission and the Federal Competition and Consumer Protection Commission, often in partnership with the U.S. Embassy, have taken steps to raise awareness about IP.

SERVICES BARRIERS

Nigeria prohibits foreign firms from participating in reinsurance of risks in the oil and gas sector. Although the regulator may waive this prohibition, all local reinsurance capacity must be fully exhausted. Nigeria also imposes 5 percent mandatory reinsurance cession requirements in favor of the Africa Reinsurance Corporation and the WAICA Reinsurance Corporation.

The Advertising Regulatory Council of Nigeria Act was enacted on August 20, 2022. The Act replaced the Advertising Practitioners Council of Nigeria, which functioned like a trade association, with the Regulatory Council, which has sweeping regulatory and enforcement powers. The Act prescribes mandatory registration for any person or company engaging in any form of advertising in Nigeria and requires all advertisements to be approved before publication.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Data Localization

The National Information Technology Development Agency (NITDA) Guidelines for Nigerian Content Development in Information and Communication Technology require all foreign and domestic businesses to store all data concerning Nigerian citizens within Nigeria. The NITDA Guidelines further require that businesses host all government data locally, unless officially exempted. However, the requirements do not seem to be rigorously enforced which causes uncertainty for businesses seeking to comply with the requirements.

Internet Services

The NITDA Guidelines also require information and communications technology companies to use Nigerian businesses for the provision of at least 80 percent of all value-added services on their networks. The NITDA Guidelines define “value-added service” vaguely, creating uncertainty for businesses seeking to comply with the measure. Though Nigeria has largely declined to enforce the NITDA Guidelines, periodic threats of repercussions for non-compliance remain a concern.

On June 13, 2022, NITDA published a draft “Code of Practice for Interactive Computer Service Platforms/Internet Intermediaries,” which came into force on December 26, 2022. It also requires digital service platforms with more than 1 million users in Nigeria to incorporate in and have a physical contact address in Nigeria.

Digital Services Taxes

The 2021 Finance Act introduced a new tax regime for non-resident companies providing digital services and products to persons in Nigeria, including both income and VAT taxes. The 2020 Finance Act first introduced income tax obligations for non-resident companies providing digital goods and services in Nigeria. U.S. companies have expressed concerns about the impact of the tax.

OTHER BARRIERS

Bribery and Corruption

Corruption remains a substantial barrier to trade and investment in Nigeria. Corruption and lack of transparency in tender processes are of great concern to U.S. companies. U.S. firms experience difficulties

in day-to-day operations as a result of inappropriate demands from officials for “facilitative” payments. Efforts to strengthen anticorruption measures have been hampered by inter-ministerial infighting and partisan politics. Questions also remain regarding the Nigerian justice system’s capacity to achieve convictions and appropriate sentencing for corruption-related crimes.

Foreign Exchange Controls

Foreign exchange limitations have negatively impacted investment as well as trade. Restrictive measures have hampered some U.S. companies’ abilities to import finished or semi-finished goods for use in their Nigerian operations. Moreover, Nigeria’s policies have increased challenges for projects developed with international financing that include U.S. dollar–denominated debt obligations, as borrowers have struggled to secure the necessary foreign exchange to meet those obligations.

In addition, Nigerian importers report they sometimes must agree to schemes to produce domestically in order to be allocated import permits by the government and to access foreign exchange through the Nigerian Foreign Exchange Market to source similar products from abroad.

However, the Nigerian Government has taken steps to address these limitations. On June 14, 2023, the Central Bank of Nigeria (CBN) introduced a market-based foreign exchange regime, collapsing its multiple official exchange rates into one, the “Nigerian Foreign Exchange Market.” On October 13, 2023, the CBN reversed its eight-year-old restriction on access to U.S. dollars for the importation of 43 items such as rice, meat, poultry, vegetable oil, fertilizer, dairy products, maize, sugar, and several steel products (although, as noted in the *Import Bans subsection*, some of these products remain on the Nigeria Customs Service’s Prohibited Items List).

The CBN had accrued an estimated \$7 billion in backlog of foreign currency orders for companies trying to repatriate their earnings over the past years. In March 20, 2024, the CBN announced it had settled \$4.6 billion of claims that had been “validated” by an audit conducted by an international auditing firm on behalf of the CBN. The remaining estimated \$2.4 billion of backlog was still under investigation by the CBN for their validity as of December 31, 2024.

Despite the liberalization of the foreign exchange market, the CBN maintains stringent controls over the repatriation of funds. Companies report that the approval process for the repatriation of funds remains a significant barrier to investment by U.S. entities, as it is frequently subject to delays and denials.

Maritime Trade

Delays caused by congestion and the poor condition of access roads, combined with corruption and an insufficient number of digital cargo scanners, make operations at Nigerian ports among the most expensive in the world. According to shipping industry reports, the 30-day average delay to clear a container ship makes Apapa in Lagos among the most expensive ports for shipments from the United States. Lagos ports also lack adequate space, and ships often wait for days—in some cases weeks or months—before being able to berth and discharge their contents.

The \$1.5 billion Lekki Deep Sea Port commissioned in Lagos on April 1, 2023 was expected to reduce the pressure on the inefficient Apapa and Tin Can ports but has yet to attract enough traffic. Traffic gridlock at the Apapa main port in Lagos continues to impact U.S. exports. Maritime crime in the Gulf of Guinea emanating from Nigeria diminished in 2022 but still has a deleterious effect on U.S. exports to Nigeria.

To help address some of these challenges, in August 16, 2023 the Government of Nigeria established the Ministry of Marine and Blue Economy and moved Nigeria’s two maritime-focused and revenue-gathering

agencies, the Nigerian Maritime Administration and Safety Agency (NIMASA) and the Nigerian Ports Authority (NPA), out from the Ministry of Transportation and into the new Ministry. Leadership of the new ministry has vocally advocated for the use of technology in Nigerian ports, including cargo tracking to promote efficiency and ease of doing business. The U.S. Coast Guard (USCG) partners with NIMASA to strengthen Nigeria's ability to improve port security conditions and thereby facilitate U.S. exports to Nigeria.

Export Ban

The Nigeria Customs Service enforces an export ban on a number of products, including maize, timber, raw hides and skin, scrap metals, and unprocessed rubber latex. The export ban list can be found on the Nigeria Customs Service's ["Prohibited Items List During Export."](#)

NORWAY

TRADE AGREEMENTS

Norway participates in the European Union (EU) single market through the European Economic Area (EEA) Agreement. As an EEA Agreement signatory, Norway assumes most of the rights and obligations of EU Member States, except in the agricultural and fisheries sectors. Norway has implemented or is in the process of implementing most EU single market policies and regulations. Norway grants preferential tariff rates to EEA Members.

IMPORT POLICIES

Tariffs

Norway's average Most-Favored-Nation (MFN) applied tariff rate was 4.6 percent in 2023 (latest data available). Norway's average MFN applied tariff rate was 31.1 percent for agricultural products and 0.4 percent for non-agricultural products in 2023 (latest data available). Norway has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 22.3 percent. Norway continues to reduce tariffs on industrial products on a unilateral basis.

Although Norway is less than 50 percent self-sufficient in agricultural production, it maintains tariff rates on agricultural products as high as several hundred percent to protect domestic agricultural interests. Domestic agricultural shortages and price surges are offset by temporary tariff reductions. However, a lack of predictability in tariff adjustments and insufficient advance notification of these adjustments, generally only two days to five days before implementation, make the export of products from the United States, especially fruits, vegetables, and other perishable horticultural products, very difficult. For some processed food products, tariffs are applied based on a product's ingredients, requiring the importer to provide a detailed disclosure of product contents. Many exporters to the Norwegian market refuse to provide all requested details and, as a result, their products are subject to maximum tariffs.

SANITARY AND PHYTOSANITARY BARRIERS

Transparency

Under the EEA Agreement, Norway applies certain EU sanitary and phytosanitary (SPS) regulations that may unnecessarily restrict trade without furthering safety objectives, because they appear to be applied beyond the extent necessary to protect human, animal, or plant life or health; are not based on risk; or are maintained without sufficient scientific evidence. On plant health, the Norwegian Food Safety Authority provides measures to eradicate, prevent, or limit the spread of regulated pests independent of the EU. However, Norway's maximum residue levels for pesticides were adopted under the EEA Agreement and are updated when new EU regulations are adopted.

Agricultural Biotechnology

Norway has implemented extremely restrictive policies for crops derived from agricultural biotechnology, with limited exceptions. The restrictions include prohibiting farmers from cultivating biotechnology crops and using biotechnology feed for farm animals. The United States continues to press Norway to recognize the applicable science on the safety of such products and, accordingly, to open its market to U.S. exports

of such products. The advent of innovative biotechnology research approaches, such as genome editing, has led Norway to reconsider its stance on agricultural biotechnology.

An expert committee on biotechnology was appointed by the Norwegian Government in 2020 to gather updated scientific information on new biotechnologies for use in formulating new policies and to assess whether to adjust the existing legal framework to ensure that technological advancements benefit society without harming health or the environment. The committee delivered its recommendations on June 6, 2023, and concluded that current regulations and their implementation create obstacles to realizing the full potential of these technologies. The committee proposed streamlining public administration, harmonizing regulations with EU legislation, and taking concrete measures to stimulate more socially beneficial innovation.

Beef

Norway applies regulations developed by the EU that ban imports of beef from animals treated with hormones, despite the absence of scientific evidence demonstrating that beef from animals treated with hormones not exceeding the regulatory limit poses any risk to human health.

GOVERNMENT PROCUREMENT

U.S. pharmaceutical companies active in Norway have raised concerns regarding government procurement procedures for pharmaceuticals, including a lack of detailed information on the selection process for winning bidders and unauthorized disclosures of confidential pricing data. U.S. companies have raised concerns that tenders in the pharmaceutical sector in Norway have been unpredictable and nontransparent, and companies have sought more direct communication with the body responsible for final procurement decisions on behalf of regional health authorities (the Norwegian Decision Forum).

Norway is a Party to the WTO Agreement on Government Procurement (GPA).

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Data Localization Requirements

Data protection in Norway is governed by the Norwegian Personal Data Act, which implements the European Union General Data Protection Regulation (GDPR) and became effective on July 10, 2018. The GDPR was incorporated into the EEA Agreement on July 6, 2018. The Norwegian Personal Data Act restricts the transfer of the personal data outside of the EEA, except to specific countries determined to provide adequate data protection by the European Commission (Commission) or when other specific requirements are met, such as the use of standard contract clauses or binding corporate rules. Restrictions on the flow of data have a significant effect on the conditions for enabling the functionality embedded in intelligent goods (*i.e.*, smart devices).

Executive Order 14086 on [Enhancing Safeguards for United States Signals Intelligence Activities](#) (October 7, 2022) implements the U.S. commitments under the EU-U.S. Data Privacy Framework. On March 25, 2022, the United States and EU announced that they had agreed in principle on a new EU-U.S. Data Privacy Framework (DPF), which is designed to provide a new mechanism to comply with EU data protection requirements for the transfer of personal data from the European Union. In July 2023, the Commission granted the United States an adequacy decision for the DPF, and organizations that self-certify their compliance with the DPF principles began transferring personal data from Norway to the United States in reliance on the DPF without SSCs since July 2023. (*For further information on the EU's General Data*

Protection Regulation and the EU–U.S. Data Privacy Framework, see the Electronic Commerce / Digital Trade Barriers section of the EU Chapter of this NTE Report.)

INVESTMENT BARRIERS

Foreign ownership of hydropower resources is prohibited in Norway, except in rare instances in which the government allows foreign investors up to 20 percent equity ownership.

SUBSIDIES

Agricultural Support

Although agriculture accounts for only 1.7 percent of Norway’s gross domestic product as of 2023 (latest data available), support provided by Norway to its agricultural producers was 48.7 percent of total farm receipts between 2021 and 2023 (latest data available), the highest among Organization for Economic Cooperation and Development (OECD) Member States, and more than three times the OECD average.

Norway maintains a price reduction regime that includes subsidies for using certain domestically-produced raw materials in processed foods. Products for which such subsidies are paid include chocolate, ice cream (for milk and glucose), pizza (for cheese and meat), and sweets. The purpose of the system is to help compensate the domestic food processing industry for the high costs of domestically-produced raw materials.

PAKISTAN

TRADE AGREEMENTS

United States–Pakistan Trade and Investment Framework Agreement

The United States and Pakistan signed a Trade and Investment Framework Agreement (TIFA) in June 2003. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Pakistan.

IMPORT POLICIES

Tariffs

Pakistan's average Most-Favored-Nation (MFN) applied tariff rate was 10.3 percent in 2023 (latest data available). Pakistan's average MFN applied rate was 13.0 percent for agricultural products and 9.9 percent for non-agricultural products in 2023 (latest data available). Pakistan has bound 98.6 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 60.8 percent. For agricultural products, the average WTO bound rate is 96.2 percent. The average WTO bound rate for non-agricultural products is at 55.2 percent.

Despite the reduction of applied tariff rates since 2013, U.S. companies have cited concerns that Pakistan has been imposing high tariff rates and, in some cases, additional duties, on products such as automobiles and finished goods. In addition, Pakistan grants sector- and product-specific import duty exemptions, concessions, and protections through the promulgation of statutory regulatory orders (SROs). SROs may be issued without providing for stakeholder consultations or allowing importers time for implementation and compliance. Under previous International Monetary Fund (IMF) programs, Pakistan pledged to limit the use of SROs to genuine emergencies. However, SROs continue to be issued, and Pakistan has not provided a timeline for their removal.

Non-Tariff Barriers

Pakistan permits the importation of certain goods only by the public sector or industrial consumers (*e.g.*, active ingredients for the formulation or manufacturing of pesticides). Some imports require approvals from federal-level ministries such as the Ministry of Climate Change, Ministry of Interior, and the Ministry of National Health Services, Regulations and Coordination. Imports of certain products, including food colors, waste, parings, and scrap plastics, must receive official certification by the exporting country or by a specialized pre-shipment inspection company.

Import Bans

On July 11, 2024, Pakistan issued SROs 1021 and 1022, which banned the import and export of wheat. Pakistan officials have stated that the bans were put in place to stabilize local prices given record domestic production and high stocks. Consequently, Pakistan has not imported wheat during the current marketing year. The Government may review the import ban in the latter part of the marketing year, but imports are unlikely to be more than 300,000 tons.

Customs Barriers and Trade Facilitation

U.S. food and consumer product exporters have expressed concerns regarding a lack of uniformity in customs valuation in Pakistan that negatively affects U.S. stakeholders. Similarly, in the machinery and materials sectors, there are reports that customs officials have erroneously assessed the customs value of goods based on a set of minimum values rather than the declared transaction value.

U.S. companies have reported being adversely affected by Customs Rules 389 and 391. Customs Rule 389 requires the placement of a physical invoice and packing list in the shipping container, while Customs Rule 391 places the responsibility of including such documents, and liability for failure to comply, on the owner of the goods and the carrier. Such rules pose compliance challenges for companies that use intermediaries, re-invoicing, or the storage of goods at various points during transit. They also create additional burdens for shippers who are required by other countries' customs requirements to provide this information only through electronic filings and may, therefore, not have paper documentation available. Many companies' invoicing, accounting, and shipping systems do not permit the generation of invoices and packing lists prior to the departure of the goods from the company's production or storage facilities. Customs officials impose penalties on companies lacking invoicing systems incapable of producing paper documentation for each container. While Pakistan has shown openness to addressing the issue, and U.S. authorities have worked with Pakistan's Federal Board of Revenue (FBR) to that end, the rules remain formally in place and customs officials can implement them at any time.

Pakistan notified its customs valuation legislation to the WTO in May 2001, but has not yet responded to the WTO Checklist of Issues that describes how the Customs Valuation Agreement is being implemented.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Pakistan generally accepts imported food as packaged in the exporting country. A notable exception, however, is food packaging for vegetable oil. Pakistan requires refined vegetable oil to be imported in bulk for re-packaging.

In February 2019, Pakistan issued SRO 237 but failed to notify the WTO Committee on Technical Barriers to Trade (TBT Committee) for comment. This measure mandates that all edible product shipments include a halal certificate and prohibits the use of stickering, overprinting, or stamping to meet the requirements, even on an interim basis. Although Pakistan resolved the issue for wholesale bulk food items by permitting the use of stickers, the issue remains for retail sales. SRO 237 also requires all products to have 66 percent of shelf-life remaining from the date of manufacture. When taken together, manufacturers report that these onerous requirements introduce significant uncertainty and operational barriers. After notification requests from the United States, Pakistan eventually notified SRO 237 to the WTO TBT Committee in May 2020. The United States raised concerns with Pakistan's requirements at WTO TBT Committee meetings between November 2019 and May 2020. The United States continues to monitor updates to SRO 237. During the April 2024 TIFA intercessional meeting, U.S. and Pakistan officials discussed SRO 237 and additional clarifications needed on Pakistan's import regulations with a particular focus on labeling requirements.

Sanitary and Phytosanitary Barriers

Pakistan continues to ban imports of beef and beef products from the United States. However, during the February 2023 TIFA Council meeting, Pakistan and the United States reached an agreement in principle on

an export certificate that would re-open the market for U.S. beef. Finalization of the agreement was still pending as of December 2024.

In October 2022, Pakistan customs authorities detained two shipments of U.S. genetically engineered (GE) soybeans. The MNFSR reiterated the requirement to apply for an import license for GE products, a process at the time stymied by a lack of implementing regulations for approval of GE soybeans for food, feed, and processing (FFP). In December 2022, Pakistan formed a committee to evaluate the issue. On November 24, 2023, Pakistan's cabinet passed amendments to the Biosafety Rules aimed at restarting the importation of GE commodities for FFP purposes. As per the approved Biosafety Rules, the Director General of Environment at the Ministry of Climate Change received 16 applications for the import of soybeans that were approved by the Technical Evaluation Committee. In October 2024, the National Biosafety Committee (NBC) approved the requests of Pakistani importers to import GE soybeans under the new Biosafety Rules. U.S. companies expect Pakistani imports of U.S. soybean to resume in the first quarter of 2025. The U.S. Government continues to engage with the Government of Pakistan on this issue. Following publication of the NBC meeting minutes, the approved applicants will need to request an import license from Pakistan's Environmental Protection Agency before they can begin shipping soybeans.

GOVERNMENT PROCUREMENT

Since 2014, Pakistan has relied more on technical qualifications in its procurements over lowest cost, but U.S. companies continue to complain of losing tenders based on price. Some U.S. companies report instances in which the procuring agency used a bid from a U.S. supplier as a basis for, and to incentivize, further negotiations with other suppliers, rather than accepting the lowest-priced and technically superior bid as outlined, and required, by applicable bidding regulations. Most notably, this has occurred with Chinese firms. U.S. companies also report concerns that Pakistan's practice rewards anticompetitive behavior, and may facilitate the use of lower bids in an effort to negotiate below-market prices from U.S. and other foreign companies.

Pakistan authorities have worked with international financial institutions on improving the transparency of their procurement regime, and Pakistan is receiving World Bank support for the development of an electronic procurement system that will publish information on both central and sub-central procurement contracts and information regarding the successful bidders. According to the International Monetary Fund (IMF), as of October 2024, the Public Procurement Regulatory Authority had implemented the electronic procurement system across 38 ministries and 342 government departments.

Pakistan is not a Party to the WTO Agreement on Government Procurement (GPA), but has been an observer to the WTO Committee on Government Procurement since February 2015.

INTELLECTUAL PROPERTY PROTECTION

Pakistan remained on the Watch List in the [2024 Special 301 Report](#). Intellectual property (IP) concerns in Pakistan were raised during the April 2024 TIFA intersessional meeting. Although Pakistan has made gradual improvements toward better coordinating its IP enforcement efforts and updating its IP laws, serious concerns remain, particularly in the area of IP enforcement.

Pakistan's federal IP Policy Board met regularly in 2023 and 2024, but has been hampered in its efforts to improve IP enforcement by a lack of public awareness, as well as budgetary and human resource constraints. The Competition Commission of Pakistan has made some progress in cases involving counterfeit trademarks and other trademark related anti-competitive violations.

Pakistan's establishment of IP tribunals in five cities has been an encouraging development. However, litigants with experience in Pakistan's tribunals have raised concerns over a lack of capacity, inconsistency of rulings, nominal fines, a general lack of expertise among tribunal judges, and confusion over standards by which courts review tribunal decisions. In addition, judicial bodies in Pakistan have limited jurisdiction to adjudicate criminal complaints for IP violations.

Counterfeiting and piracy in Pakistan remain high, particularly in the areas of pharmaceuticals, printed works, digital content, and software. Stakeholders report an increase in domestic manufacturing of counterfeit goods, and there are reports of numerous cable operators providing pirated contents.

Pakistan acceded to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol) in 2021 and the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled in 2024 (Marrakesh Treaty) and the United States welcomes Pakistan's interest in joining other international treaties, such as the Patent Cooperation Treaty (PCT) and the World Intellectual Property Organization (WIPO) Internet Treaties.

SERVICES BARRIERS

Insurance Services

The National Insurance Company, a majority state-owned enterprise, has the exclusive authority to underwrite and insure public sector firms, assets, and properties. Pakistan has the discretion to grant exemptions to this requirement. Private sector firms may use foreign reinsurance companies to meet up to 65 percent of their re-insurance needs, but the remainder of reinsurance must be ceded locally. In the case of facultative reinsurance, there is a system of mandatory cession; business must initially be offered to the state-owned Pakistan Reinsurance Company, which may choose to accept the business or not.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Data Localization

Pakistan released a final version of the Personal Data Protection Act in early 2025. The draft act establishes strict processing requirements for "certain personal data" and empowers the Government of Pakistan to restrict transfers of "certain personal data" to jurisdictions outside of Pakistan. It also places additional requirements on organizations processing data who meet certain thresholds and are identified as "significant" by the Commission. The draft act does not clearly define the thresholds, but requirements include registering a data protection officer. The draft act permits the transfer of personal data outside of Pakistan only in limited circumstances, such as when the service provider has obtained explicit consent from the data subject to transfer of data outside of Pakistan, when a binding contract is in place, or when the data is transferred to a country that provides an adequate data protection legal regime, among others.

Internet Services

Pakistan routinely blocks access to Internet services for hosting content deemed to be blasphemous or immoral, or on grounds that such services can be used to "undermine national security." Under the Prevention of Electronic Crimes Act (PECA), Pakistan routinely blocks entire social media platforms or demands that sites geo-block posts considered "unlawful online content." An e-Safety Bill and the pending establishment of a Digital Rights Protection Authority and National Center for Cyber Investigations would increase financial and criminal penalties associated with online speech.

Shutdowns and Other Threats to the Open Internet

Pakistan has repeatedly suspended access to mobile data and certain online services in major cities in response to planned protests, large-scale demonstrations, and other perceived unrest. These suspensions undermine a free and open Internet and impede trade in the digital economy by restricting access to information and services and disrupting commercial operations. The United States continues to monitor the impact of these events on U.S. trade and investment, including services exports.

Electronic Commerce Regulation

Pakistan drafted an Electronic Commerce Policy Framework in August 2019, with the aim of increasing exports and strengthening the digital economy. The framework, adopted in January 2022, contains some restrictive requirements. For example, the policy contains licensing, registration, and local presence requirements, as well as broad restrictions on cross-border data flows.

INVESTMENT BARRIERS

Pakistan generally permits foreign investment and introduced a new Pakistan Investment Policy (PIP) in 2023 to enhance its investment promotion efforts and attract foreign investment. Pakistan continues to limit foreign ownership through equity caps in certain sectors including agriculture, aviation, banking, media, insurance, and securities. Ostensibly to combat tax evasion, in which companies report operating losses but remit royalties, Pakistan has limited foreign investors' remittance of royalty payments (except in the manufacturing sector) to a maximum of \$100,000 for the first payment, with subsequent payments capped at 5 percent of net sales for the following five years.

Although Pakistani law allows repatriation of profits, subject to restrictions listed in Chapter 14, section 15 of the State Bank of Pakistan (SBP) Foreign Exchange Manual, U.S. and other companies continue to face bureaucratic hurdles repatriating profits, dividends, and royalties from Pakistan, generally coinciding with the government's focus on stemming outflows of U.S. dollars. Local franchises of U.S. brands report limitations and extended delays in remitting funds to the United States as a result of SBP policies. Balance of payments challenges in 2022 and 2023 further exacerbated repatriation delays. The 2023 PIP reiterated the right of foreign investors to repatriate investment-related capital, and in 2024, U.S. and other foreign investors reported fewer repatriation issues as Pakistan's balance of payments position stabilized. According to the SBP, foreign repatriations increased to \$2.2 billion during Pakistan's fiscal year 2024 (July 2023 to July 2024), compared to \$331 million in fiscal year 2023.

U.S., global, and domestic firms reported facing arbitrary restrictions on letters of credit due to the balance of payments situation in 2022 and 2023, but reported fewer problems in 2024. Stakeholders reported delays in banks' issuance of letters of credit, on account of informal limitations by the SBP on commercial banks borrowing foreign currency through the interbank market.

Industry stakeholders report that contract enforcement can be difficult for U.S. and other foreign investors in Pakistan due to significant delays and lack of enforcement of court rulings.

Taxes

Pakistan has one of the lowest tax compliance and tax-to-Gross Domestic Product ratios in the world, 9 percent in FY2024. Pakistan relies heavily on multinational corporations for the revenue generated by tax

collection. Foreign investors in Pakistan regularly report that both federal and provincial tax regulations are difficult to navigate, frequently citing the lack of transparency in the assessment of taxes.

Improving and broadening tax collection is a key focus of the IMF's Extended Fund Facility (EFF) for Pakistan, approved in September 2024. Under the program, the target is for Pakistan to increase its tax revenues to \$40 billion in FY2025, an increase of \$6.4 billion from the collections made during FY2024. Under the EFF, the government has also committed to expanding taxation into the under-taxed retail and agriculture sectors and to improving tax administration. However, Pakistan authorities have long delayed key politically sensitive tax reforms recommended under previous IMF programs. U.S. companies have experienced increased pressure from the FBR to prepay anticipated tax liabilities and have expressed concern that many of their local competitors still do not pay taxes at all or engage in tax evasion. For example, Pakistan amended its tax laws in June 2024 to limit corporate tax deductions on marketing expenses for firms that pay royalties, a provision that multinational companies complain is designed to discriminate against international companies. The U.S. Government has repeatedly engaged with the Pakistan Government on issues involving unfair and disproportionate taxation of U.S. companies and continues to reinforce the importance of Pakistan broadening its tax base.

OTHER BARRIERS

Bribery and Corruption

U.S. companies cite corruption and a weak judicial system as substantial disincentives to foreign investment in Pakistan. Pakistan's federal anticorruption agency, the National Accountability Bureau (NAB), provides a legal framework to combat corruption. However, business and civil society stakeholders have expressed reservations about the body's effectiveness and perceived politicization. The NAB's broad exercise of its remit to investigate government operations and business dealings have led to a number of cases where it reopened established policies and targeted reputable businesses, potentially dissuading foreign investors and making officials reticent to exercise authority.

Export Bans

Although wheat and flour exports are officially banned, exports to Afghanistan are estimated at 500,000 tons. These exports are not reflected in the official data.

PANAMA

TRADE AGREEMENTS

The United States–Panama Trade Promotion Agreement

The United States–Panama Trade Promotion Agreement (the Agreement) entered into force on October 31, 2012. The United States and Panama continue to work closely together to review the implementation and functioning of the Agreement and to address outstanding issues.

IMPORT POLICIES

Tariffs

Pursuant to the Agreement, U.S. exports to Panama of non-agricultural products have entered duty free since January 1, 2021. Remaining duties on the most sensitive agricultural products will phase out between 2026 and 2031, 15 years to 20 years after entry into force of the Agreement. Under the Agreement, Panama is obligated to liberalize trade in onions and potatoes through continual expansion of a tariff-rate quota (TRQ).

Since August 2020, Panama has imposed volume restrictions on U.S. onion and potato imports outside of the Agreement TRQ quantities. Panamanian authorities have also designated approved importers and specified volumes per importer. The United States has raised concerns regarding these issues at the World Trade Organization (WTO) Committee on Import Licensing and discussed them with Panamanian authorities in light of the Agreement commitments.

On December 19, 2023, Panama held its auction for rough rice TRQ volumes under the Agreement for 2024. However, prior to the auction, Panama notified the United States that its volume of the 2024 milled rice quota allocation would be converted to rough rice and added to the rough rice quota allocation. Following engagement by the United States in 2024, Panama indicated its commitment to open both the milled and rough rice TRQs for 2025 consistent with the respective allocation amounts established in the Agreement.

In 2024, Panama’s Ministry of Commerce and Industry (MICI) enacted safeguard duties for U.S. rough rice, pork, cheddar, other cheeses, butter, yogurt, and fluid milk.

Non-Tariff Barriers

On January 10, 2024, Panama enacted Cabinet Decree Number 4, which established a quantitative limit for imported pork products in 2024 and years thereafter. Under this decree, pork is imported on a first-come, first-served basis under a non-automatic licensing scheme. The United States has raised concerns with this measure and its potential impact on U.S. pork exports and will continue engaging with Panama to resolve this issue.

Customs Barriers and Trade Facilitation

Panama ratified the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) in November 2015. Panama has not yet submitted its transparency notification related to import, export, and transit

regulations. This notification was due to the WTO on June 1, 2022, according to Panama's self-designated TFA implementation schedule.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Since February 2017, the United States has raised concerns with certain requirements for fresh onions and, since March 2019, for fresh potatoes. Panama's measures with respect to both products establish requirements, limits, and criteria that raise concerns regarding their consistency with international standards. Since October 2020, the United States has raised these issues at the WTO Committee on Technical Barriers to Trade (WTO TBT Committee) and elevated the concerns to the WTO Council for Trade in Goods. U.S. concerns regarding the measures continue to go unaddressed, and U.S. onion and potato producers continue to be negatively affected. After a number of delays, in December 2021, Panama issued Resolution 235, which finalized the requirements on fresh potatoes, and began implementing the measure on February 19, 2022.

In August 2022, the United States submitted comments on Panama's draft technical regulations on grains and cereals, including requirements for paddy rice and milled and white rice. The United States raised concerns regarding Panama's proposed creation of a unique grading system for rice, and bagging requirements for paddy rice that needs further processing. Panama's draft technical regulations contain overly burdensome requirements for bagging paddy rice prior to export. Under the proposal, paddy rice could not be consumed directly and must be milled after export before being bagged for retail. As of December 31, 2024, Panama was still reviewing comments on the draft. Also, Panama does not accept U.S. Department of Agriculture (USDA) grading standards for rough and milled rice, despite the fact that Panama is required to give favorable consideration to sector-specific regulatory cooperation in the Agreement.

Under the United States-Panama Agreement Regarding Certain Sanitary and Phytosanitary Measures and Technical Standards Affecting Trade in Agricultural Products, signed in 2006, Panama agreed not to require, as a condition for the importation or sale of those products, approval of individual U.S. establishments by any Panamanian authority. Dairy facilities that apply for registration should be automatically registered without further requirements, but there is currently a backlog of U.S. dairy facilities that have requested registration. The United States continues to engage with Panama to resolve this issue.

Sanitary and Phytosanitary Barriers

In 2023, Panama adopted its Agri-Food State Policy Law No. 352 (PADE), as well as implementing regulations. The measures contain restrictions on sales of imported products at national traditional markets, import restrictions based on local harvest dates, and the creation of private customs observers. The USDA has engaged with Panama to ensure PADE and its implementing regulations do not unnecessarily affect U.S. exports.

In August 2020, the Panamanian Food Safety Authority began implementing Ministry of Health (MINSA) Decree 255, which requires registration of establishments involved in the storage, display, distribution, and sale of raw meat and raw meat products. These products were previously only subject to routine registration, a process that could be completed in 24 hours. The process under Decree 255 takes 180 days, resulting in delays of U.S. exports, including U.S. beef, pork, and poultry, that supply the hotel, restaurant, and institutional market, as well as products destined for supermarkets. The United States is monitoring

the implementation of Decree 255 to ensure that the registration requirements for raw meat are consistent with the basic product information requirements in the 2006 United States–Panama Agreement Regarding Certain Sanitary and Phytosanitary Measures and Technical Standards Affecting Trade in Agricultural Products.

On August 25, 2022, MINSA shared draft revisions of Decree 255, and in October 2022 the United States shared comments on the proposed draft. The August 2022 revision separated out regulations for poultry products and proposed a draft regulation (Decree 147). While the United States reviewed the draft measure and provided comments, it was published unchanged in December 2022. In January 2024, Panama issued Executive Decree 71 of 2023, which further clarified beef slaughter and handling practices for domestic and imported beef. The United States will continue to monitor developments and seek to engage with Panama on concerns with certain aspects of these decrees, particularly regarding labeling, end-use attestations, and bans on the sale of thawed, previously frozen product.

INTELLECTUAL PROPERTY PROTECTION

Panama still must develop a system for internet service provider notice-and-takedown procedures and preestablished damages for copyright infringement and trademark counterfeiting, as required by the Agreement. An interagency committee, which is led by the Panama Customs Authority and includes the Ministry of Commerce and Industry, the Ministry of Economy and Finance, the District Attorney for Intellectual Property Rights (IPR), and the Ministry of Health, was formed to discuss modifying the Executive Decree 123 of 1996 for IPR enforcement in customs and providing for preestablished damages. However, the committee last met in April 2020 to discuss customs-related fines, and the initiative has not advanced since then. Challenges also remain in the areas of trademarks, including counterfeit goods, in addition to pirated goods. The United States continues to engage closely with Panama to ensure its effective implementation of all obligations under the Agreement.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Data Localization

Panama’s Government Innovation Authority resolutions 52 and 03 required all cloud services used by government entities for mission critical work and “sensitive” data hosted on servers outside the country to relocate to Panama by December 31, 2024. The scope of mission critical work and sensitive data subject to the resolutions remains unclear. The United States will continue to monitor the status of these resolutions and seek clarifications from Panama, where necessary.

PARAGUAY

TRADE AGREEMENTS

The United States and Paraguay signed a Trade and Investment Framework Agreement on January 13, 2017. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Paraguay.

IMPORT POLICIES

Tariffs

Paraguay's average Most-Favored-Nation (MFN) applied tariff rate was 8.6 percent in 2023 (latest data available). Paraguay's average MFN applied tariff rate was 9.0 percent for agricultural products and 8.6 percent for non-agricultural products in 2023 (latest data available). Paraguay has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 33.4 percent.

Paraguay is a founding member of the Southern Common Market (MERCOSUR), formed in 1991, which also comprises Argentina, Bolivia, Brazil, and Uruguay. On July 5 2024, Bolivia promulgated its law to become a full member, and is in the process of incorporating MERCOSUR's regulations. MERCOSUR's Common External Tariff (CET) ranges from zero percent to 35.0 percent *ad valorem*. In July 2022, MERCOSUR countries agreed to a 10 percent reduction of the CET for over 80 percent of tariff lines. The decision reduced the block's average CET and in 2023 MERCOSUR's CET averaged 10.8 percent. Any good imported into Paraguay (not including free trade zones) is subject to the payment of the CET to Paraguay's customs authority. If the product is then re-exported to another MERCOSUR country, the CET must be paid again to the second country. MERCOSUR approved a Common Customs Code (CCC) in 2010 and launched a plan to eliminate the double application of the CET within MERCOSUR in 2021. However, only Argentina has ratified the CCC, therefore it has not yet taken effect.

Non-Tariff Barriers

Import Licensing

Paraguay requires import licenses on a variety of products. Import licenses, once issued, are only valid for 30 days. Importing goods within this 30-day window can be difficult if there are shipment delays, which are fairly common in Paraguay, a landlocked country largely dependent on riverine shipment that can be slower during dry seasons. Due to those delays, importers may need to reapply for an import license.

INTELLECTUAL PROPERTY PROTECTION

Paraguay was listed on the Watch List in the [2024 Special 301 Report](#). The United States is concerned with the lack of enforcement against counterfeit goods in Paraguay. Ciudad del Este is listed in the [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List) as one of the main distribution and sales hubs for counterfeit goods in the region, and has reportedly become a home to manufacturing and "finishing" facilities for counterfeit goods. The United States urges Paraguay to ensure transparency and due process in the protection of geographical indications (GIs) and to ensure that the grant of GI protection does not deprive interested parties of the ability to use common names, particularly as Paraguay proceeds with the European Union–MERCOSUR Trade Agreement. The United States and Paraguay agreed on an

Intellectual Property Work Plan in September 2022 that serves as a roadmap for Paraguay to address a number of these outstanding issues.

PERU

TRADE AGREEMENTS

The United States–Peru Trade Promotion Agreement

The United States–Peru Trade Promotion Agreement entered into force on February 1, 2009. Under the Agreement, Peru currently provides duty-free access to nearly all U.S. exports. The United States and Peru meet regularly to review the implementation and functioning of the Agreement and to address outstanding issues.

IMPORT POLICIES

Tariffs

All duties for U.S. non-agricultural goods exported to Peru have been eliminated. Peru applies tariffs to a small number of U.S. agricultural products. However, these tariffs on select U.S. agricultural products are scheduled to be phased out by 2026.

Non-Tariff Barriers

Under Peru’s Customs Crime Law No. 28008 of 2003, express delivery managers and legal representatives are subject to criminal investigations and penalties for minor discrepancies in the value of invoices of low value shipments. The same law also allows for concurrent administrative sanctions against the express courier companies for the same violations. Express delivery carriers are subject to the same fixed monetary penalty as containerized cargo, regardless of the differences in shipment size or value.

Under Article 5.7(g) of the United States-Peru Trade Promotion Agreement, the parties established a *de minimis* threshold of \$200. However, the Peruvian government has implemented limitations to the number of shipments (three maximum) that an individual without a tax number (RUC) can receive per year through express delivery channels. It is uncertain whether shipments beyond the three personal import shipments for individuals per year would be considered commercial and create new income tax obligations. This RUC requirement limits the ability for individuals to import goods for personal use, which constitutes a trade barrier and a limitation to the use of express delivery shipments in Peru.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Cosmetics and Personal Care

Andean Community Resolution 2310, entered into force on December 17, 2024. This resolution includes technical regulations on labeling of cosmetic and personal care products and prohibits existing labels to comply with specific Andean Community labeling requirements.

Regulatory Processes

A variety of stakeholders have continued to note inconsistencies in the application and enforcement of regulatory processes in Peru. Peru's Congress approved Decree No. 063-2021 on regulatory quality improvement and the application of Regulatory Impact Analysis (RIA) in 2021. The United States is working with Peru on its whole-of-government initiative to integrate the RIA with public consultation for future regulatory actions.

Sanitary and Phytosanitary Barriers

Agricultural Biotechnology

In January 2021, the Peruvian Congress passed Law No. 31111, which extended for 15 years Peru's moratorium on the cultivation and import for cultivation of genetically engineered crops and the import of genetically engineered seeds. Peru has not supported its biotechnology moratorium with a risk assessment or otherwise put forward a scientific justification for it, as called for in the measure's implementing regulations. The United States has raised concerns regarding the moratorium with Peru at each annual meeting of the bilateral Trade Promotion Agreement's Standing Committee on Sanitary and Phytosanitary Measures from 2012 through 2024. The United States will continue urging Peru to address the United States' concerns and to notify its moratorium and implementing regulations to the World Trade Organization (WTO) Committee on Sanitary and Phytosanitary Measures.

Agricultural Product Certification

In January 2018, Peru's Ministry of Foreign Trade and Tourism created new sanitary import requirements for U.S. processed meat and egg products. These requirements mandated that a Single Export Sanitary Certificate (SESC) from Peru's National Sanitary Authority and the National Agrarian Health Service (SENASA) attesting to the fulfillment of sanitary requirements must accompany shipments of processed meat and egg products, but the requirements for obtaining an SESC were not clear. After several years of persistent U.S. Government engagement, on August 10, 2024, Peru published the requirements for obtaining a SESC for processed meat products. However, as of December 31, 2024, Peru had still not published the requirements for obtaining an SESC for egg products, and had not notified the SESC requirement to the WTO Committee on Sanitary and Phytosanitary Measures. The United States continues to engage with Peru to finalize transparent requirements for a certificate for egg products.

GOVERNMENT PROCUREMENT

Peru opens procurement to U.S. goods, services, and suppliers covered under the bilateral Trade Promotion Agreement.

Legislative Decree 1444 issued in September 2018 modified the public procurement law to allow government agencies to use government-to-government (G2G) agreements in procurement processes. As a result of the measure, an increasing number of ministries and government entities require foreign companies, including U.S. firms, to obtain sponsorship by their respective governments to compete for major procurements. U.S. Government agencies do not have the authority to enter into such G2G agreements and act as a guarantor in contracts with foreign governments and U.S. companies for the sale of non-defense related goods and services, thus making Peru's use of G2G procurements a barrier for U.S. companies to directly compete in some government tenders. The G2G requirement also raises concerns regarding Peru's compliance with the TPA's government procurement chapter.

Peru is neither a Party to the WTO Agreement on Government Procurement (GPA) nor an observer to the WTO Committee on Government Procurement.

INTELLECTUAL PROPERTY PROTECTION

Peru remained on the Watch List in the [2024 Special 301 Report](#). Pirated and counterfeit goods continue to remain widely available in Peru, and right holders cite particular concerns with respect to counterfeit medicines, internet piracy, and illicit recordings in cinemas. The Gamarra Emporium and Polvos Azules markets in Lima are listed in the [2024 Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List).

The United States continues to call for Peru to fully implement the bilateral Trade Promotion Agreement's intellectual property (IP) obligations, including enacting statutory damages for copyright and trademark infringement. The United States also calls on Peru to undertake IP reforms that include increasing and enhancing enforcement efforts such as expanding the imposition of deterrent-level fines and penalties for counterfeiting and piracy, enhancing border enforcement measures, and continuing to build the technical IP-related capacities among law enforcement officials, agencies, prosecutors, and judges.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Personal Data Protection

The Personal Data Protection Law 29733(PDPL) and the Supreme Decree 003-2013-JUS-Regulation of the PDPL (Regulation) are the primary data protection laws in Peru. Peru's data protection laws allow cross-border data transfers to countries determined to have the same or adequate level of data protection as Peru. In the absence of this determination, organizations are required to use standard contractual clauses and other measures to transfer data outside of Peru. Despite repeated requests, Peru has yet to initiate the formal adequacy assessment process with the United States. Without an adequacy determination, U.S. companies face increased costs, fragmented operations, and may be forced to localize data in Peru. The United States remains committed to working with Peru on data protection and privacy issues including conversations to ensure mutual participation in multilateral data privacy certification arrangements that provide a mechanism for companies to facilitate international transfers of personal data for baseline compliance with the laws of participating jurisdictions.

In 2020, the Digital Government Secretariat of Peru released Emergency Decree 007 – Digital Trust Framework draft regulations for consultation. The decree gives preferential treatment to domestic data storage and domestic service providers and includes: (1) the creation of a whitelist of permitted countries for cross-border transfer of data; (2) the issuance of digital security quality badges for private companies that serve as a governmental cybersecurity certification (ignoring the existence of global security standards); and (3) the creation of a national data center intended to host the information provided by the public sector entities and incentivize domestic storage of public data. The Digital Trust Framework also includes broad definitions of digital services providers, failing to consider key differences among digital services and the differences in these services' ability to access client's information, or organizations that use digital channels to provide their services.

LABOR

A review of Peru's progress on implementing specific recommendations to improve worker rights practices in Peru's nontraditional export sectors has been ongoing since the issuance of a U.S. Department of Labor (DOL) [report in 2016](#). The DOL report, published in response to a submission from the public under the

bilateral Trade Promotion Agreement, raised significant concerns regarding the right to freedom of association in certain sectors, including textiles and apparel and certain agricultural sectors. The DOL report also noted concerns regarding labor law enforcement in Peru.

THE PHILIPPINES

TRADE AGREEMENTS

The United States–Philippines Trade and Investment Framework Agreement

The United States and the Philippines signed a Trade and Investment Framework Agreement (TIFA) on November 9, 1989. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and the Philippines.

IMPORT POLICIES

Tariffs

The Philippines' average Most-Favored-Nation (MFN) applied tariff rate was 6.0 percent in 2023 (latest data available). The Philippines' average MFN applied tariff rate was 9.6 percent for agricultural products and 5.5 percent for non-agricultural products in 2023 (latest data available). The Philippines has bound 67.6 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 24.9 percent.

Products with unbound tariffs include certain automobiles, chemicals, plastics, vegetable textile fiber, footwear, headgear, fish, and paper products. MFN applied tariffs on fresh fruit, such as grapes, apples, oranges, lemons, grapefruits, and strawberries, as well as on processed potato products (including frozen fries), range between 7 percent and 15 percent. Exceptions include dates and figs, which carry a 3 percent MFN applied tariff.

U.S. agricultural exports are significantly inhibited by the high in-quota tariffs for agricultural products under the Philippines' tariff-rate quota (TRQ) program, known as the Minimum Access Volume (MAV) system. Under the MAV system, the Philippines has scheduled TRQs on select agricultural products, including sugar, corn, coffee and coffee extracts, potatoes, pork, and poultry products, with in-quota tariffs ranging from 30 percent to 50 percent.

The Philippine Department of Agriculture (DA) Administrative Order No. 52 (2000) amended the Rules and Regulations for the Implementation of the MAV, which canceled penalties for underutilization if the MAV licensee purchased local supply. This provision effectively allows existing MAV license holders to keep their full allocation for next year without having to import. On September 20, 2023, the Philippine DA issued Special Order No. 1168, creating a technical working group to identify issues in the implementation of the MAV and formulate corresponding amendments to existing guidelines, including Administrative Order No. 52. However, as of December 31, 2024, the revised MAV guidelines had not been released.

In the distribution of pork quota allocations through the MAV, the Philippine DA distributed the 2024 MAV quota for the initial allocation "beginning year pool" in tranches, which is contrary to the allocation method set out in Administrative Order No. 1 (1998), causing uncertainty for importers. In 2024, the distribution also commenced approximately one month later than the prescribed period under Administrative Order No. 1 (1998), and the last tranche was released on August 15, 2024.

The Philippine President signed Executive Order No. 62 on June 20, 2024, implementing the comprehensive tariff schedule for various products until 2028 to augment supply, manage prices, and

address inflationary pressures. Executive Order No. 62 extends the lower tariffs imposed on imported pork and mechanically deboned meat at 15 percent in-quota and 25 percent out-of-quota, and corn at 5 percent in-quota and 15 percent out-of-quota. The import duty on rice is set at a uniform rate of 15 percent, subject to a review every four months starting from July 7, 2024. While this periodic review for rice provides the Philippine Government flexibility amid any changes in the economic environment, the review also causes market uncertainties as to whether the rice tariff rate will be extended or modified.

The Philippines continues to apply high tariffs on finished automobiles and motorcycles. A 30 percent tariff is imposed on completely built passenger vehicles with capacity of less than 10 persons (*i.e.*, automobiles), as well as motorcycles. Passenger vehicles with a capacity of 10 or more (*i.e.*, buses) and commercial vehicles (*i.e.*, trucks) both incur a 20 percent tariff. The Philippines continues to extend duty-free treatment to imports of capital equipment, spare parts, and accessories by motor vehicle manufacturers and other enterprises registered with the Board of Investments under Executive Order No. 226, as amended by the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

On January 13, 2023, the Philippine President signed Executive Order No. 12, eliminating tariffs for completely built-up units of certain electric vehicles (EVs), including passenger vehicles, buses, minibuses, vans, trucks, motorcycles, tricycles, scooters, and bicycles. On May 15, 2024, the Philippines broadened the scope of Executive Order No. 12 to include additional types of EVs, such as hybrid EVs and completely knocked down EVs (*i.e.*, vehicles disassembled into parts for easier shipment and assembly) for all types of vehicles. Executive Order No. 12 is set to expire in 2028.

Non-Tariff Barriers

Quantitative Restrictions

The Philippines prohibits the importation of used motor vehicles, except in certain cases, which require prior authority to import from the Philippine Department of Trade and Industry. Importation of used motor vehicle parts is also regulated.

The Philippine DA regularly uses the Certificate of Necessity to Import (CNI), the Sanitary-Phytosanitary Import Clearance (SPSIC) system, or both to enact unscheduled quantitative restrictions to increase prices of sensitive agricultural and fishery products, especially during and near harvest periods. (*For further information on the SPSIC system, see the Sanitary and Phytosanitary Barriers section*).

The Philippine Secretary of Agriculture may prescribe the type of fish species to be imported and the volume to be imported. Importers must obtain a CNI to import these products. On April 18, 2024, the Philippine President issued Administrative Order No. 20, directing the Philippine DA to review and revise rules and regulations that impose quantitative restrictions on fish imports, limit competition and participation in international trade, and restrict the species allowed for importation. However, as of December 31, 2024, the CNI process for certain imported fish species remained in effect.

The Philippine DA's Sugar Regulatory Administration (SRA) sets the allowable import quota of sugar, typically at the beginning of each marketing year. The allowable volume applies to all sources, whether imported from an Association of Southeast Asian Nations (ASEAN) or an MFN trading partner. Under Administrative Order No. 20, the SRA is expected to streamline and standardize existing guidelines on the importation of sugar products, which will cover the rules and regulations on the classification or automatic classification of imported sugar, as well as direct importation of sugar by SRA-registered industrial users. As of December 31, 2024, the standard guidelines on sugar importation had not been issued. However, on August 8, 2024, the SRA Board signed Sugar Order No. 5 (2023-2024), allowing the importation of 240,000 metric tons of refined sugar.

Customs Barriers and Trade Facilitation

The Philippine Bureau of Customs launched its modernization program in 2021 to address customs and corruption concerns. However, reports of corruption and irregularities in customs processing are widespread, including incidents of undue and costly delays, irregularities in the valuation process, 100 percent inspection and testing of some products, and inconsistent assessment of fees.

In 2020, the Philippine Bureau of Customs implemented the Enhanced Value Reference Information System, which is a database of information on the value and classification of imports for reference purposes in support of the implementation of the WTO Customs Valuation Agreement (CVA). Despite the submission of documentary evidence of payments (*e.g.*, contracts, purchase orders, telegraphic transfers, and letters of credit), some importers still report that the Philippine Bureau of Customs continues to use reference prices for the valuation of meat and poultry products.

On May 11, 2024, the Philippine Bureau of Customs issued Customs Administrative Order No. 2-2024, which increases customs processing fees to provide for uniformity in the rates. The increased fees include processing charges and customs documentary stamps for *de minimis* imports. The threshold for *de minimis* goods is set at PHP 10,000 (approximately \$175) and below. The Philippines generally committed to a *de minimis* threshold of \$200 for express shipments in the TIFA Protocol on Customs Administration and Trade Facilitation, signed in 2010. Fees for *de minimis* imports increased by 1,183 percent from \$0.58 to \$7.44 with the new administrative order.

On May 13, 2024, the Philippine President issued Administrative Order No. 23, introducing pre-border technical verification (PTV) and cross-border electronic invoicing (CEI) intended to streamline inspections and monitor international trade transactions. The CEI refers to a system used by a verified and registered foreign exporter to create an export invoice on a single electronic platform controlled by the Philippine Government, and it will be used by the Philippine Bureau of Customs for all imports. The PTV refers to a pre-export inspection by a conformity assessment company accredited by the Philippine Government of specified goods before they are shipped for import into the Philippines. The PTV will cover agriculture imports in its first phase, and will be followed by goods with health and safety concerns in the second phase, and goods susceptible to misdeclaration to avoid duties and taxes in the third phase. On January 24, 2025, the Philippine Department of Finance issued Joint Administrative Order No. 001-2025, outlining the implementing rules for Administrative Order No. 23. The Philippines aims to implement these requirements by 2026, awaiting release of the Philippine Bureau of Customs implementing rules for Joint Administrative Order No. 001-2025 and launch of the online platform for CEI.

Stakeholders have expressed concerns about the PTV, citing increased inspection and logistics costs, delayed movement of goods, duplication of other importation processes, susceptibility of inspection agents to corruption in the country of export, and its deviation from standard industry practices. Additionally, the implementation of PTV as an integrated package with CEI, which is focused on goods susceptible to misdeclaration to avoid duties and taxes, indicates that the Philippines may have the intention of utilizing pre-shipment inspection for tariff classification or customs valuation, raising concerns under Article 10.5 of the WTO Trade Facilitation Agreement. Finally, it is unclear if PTVs will supersede the application of risk management for the products covered by the regulation. As of December 31, 2024, the Philippine Government had not notified the WTO Committee on Customs Valuation nor the Committee on Technical Barriers to Trade of Administrative Order No. 23 or its implementing regulations.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Vehicle Standards

In conjunction with ASEAN harmonization efforts, the Philippines is working to align domestic motor vehicle standards and regulations with those set under the United Nations Economic Commission for Europe (UNECE) 1958 Agreement. Under the October 2018 United States–Philippines Joint Statement, both governments pledged to cooperate to implement a U.S. work program on automotive standards issues in the context of the TIFA. The United States also recognized the Philippines’ commitment to the continued acceptance of vehicles that meet multiple high-standard automotive standards, including U.S. Federal Motor Vehicle Safety Standards (FMVSS). On May 28, 2024, the Philippines issued a revision to its 2021 proposed regulation, “The New Technical Regulations Concerning the Mandatory Product Certification of Automotive Products.” The revision was notified to the WTO in document G/TBT/N/PHL/265/Rev.1. The United States submitted comments on the revision through the Technical Barriers to Trade Enquiry Point on June 27, 2024, that urged the Philippines to implement the commitment made in the October 2018 Joint Statement and provide for the acceptance of vehicles certified to FMVSS requirements. However, as of December 31, 2024, the Philippines had not yet issued regulations to implement that commitment.

Meat Labeling

Following a surge in imports, the Philippines in July 2021 abruptly began enforcing meat and poultry labeling requirements without notice, resulting in many detained containers of U.S. products and delays of other container shipments en route. The Philippine Government issued policy clarifications in November 2021, granting labeling flexibilities until the policies can be reviewed and revised, thereby allowing continued exports of U.S. meat and poultry. In November 2022, the Philippines established the Philippine National Standard for Labeling of Prepackaged Fresh Chilled and Fresh Frozen Meat. The Philippines plans to draft revised labeling regulations adopting the Philippine National Standard and will make them available for public comment.

Utilization Report

In June 2022, the Philippine DA’s Bureau of Animal Industry (BAI) informed domestic stakeholders that it will enforce BAI Memorandum Circular No. 26, dated August 2021. BAI Memorandum Circular No. 26 requires importers to submit a utilization report concerning their importation of ingredients used in the manufacture of animal feed to ensure such ingredients imported for animal feed are not diverted for human consumption or for other purposes. Stakeholders have expressed concern regarding the burdensome nature of this requirement. The measure has not been notified to the WTO.

Sanitary and Phytosanitary Barriers

Import Permits

The Philippine DA requires that importers obtain an import permit, known as an SPSIC, and transmit the permit to the exporter prior to shipment of any agricultural product. Each import permit is valid for only one shipment and has a limited validity period of 15 days to 90 days, depending on the commodity. The requirement of one SPSIC per shipment with a limited validity period adds costs, complicates the timing of exports, and prevents the rerouting to the Philippines of products intended for other markets. It also

prevents an exporter from reselling an imported product if the importer refuses to accept delivery or abandons the shipment. The length of validity and issuance appear to be based on the political sensitivity of the products, rather than on sanitary and phytosanitary risk. In 2019 and 2020, the Philippines stopped issuing SPSICs for certain imported agricultural products, including U.S. table grapes, chipping potatoes, and whole birds, along with products not currently supplied by the United States, such as feed wheat, rice, and corn. The Philippine DA continues not to issue SPSICs for whole chickens.

Philippine DA Administrative Circular No. 6, issued in June 2022, made permanent the 90-day validity of SPSICs for meat and poultry. Meanwhile, “must-ship-out requirements” for garlic, onions, rice, wheat, corn, and fresh/chilled fruits and vegetables remain limited to 20 days. SPSICs for frozen fish expire within 30 days of issuance to institutional buyers and within 45 days of issuance to retail buyers. SPSICs for other plant, animal, and aquatic products are also still generally subject to 60-day validity.

The Philippine DA BAI issued Memorandum Circular No. 25 (2023), which reiterates that SPSICs are no longer needed for cured processed meat products from eligible countries, including the United States, provided they comply with the World Organization for Animal Health (WOAH) standards for the inactivation of viruses. However, SPSICs are still required for uncooked/not-fully-cooked/non-heat-treated processed animal products.

The Philippine President, through Administrative Order No. 20 on April 18, 2024, instructed that all SPSIC applications not acted upon within the prescribed period shall be deemed approved, consistent with the provisions of the country’s Anti-Red Tape Act. Administrative Order No. 20 directs the Philippine DA to prepare implementing guidelines on the issuance and processing of SPSIC applications for agricultural products, including rules and regulations on the extension and/or suspension of SPSIC processing. Pursuant to Administrative Order No. 20, the Philippine DA prepared a draft Department Circular incorporating a section on the automatic approval of SPSIC applications, but only for commodities regulated by the Bureau of Plant Industry. As of December 31, 2024, the DA has not yet issued an approved circular.

Local Government Regulations

Since the onset of African Swine Fever in 2019, and the return of avian influenza in 2022, a number of local government units have maintained restrictions on the import and export of live pigs and birds, and products thereof, that exceed both international and national recommendations. Local government units’ measures are not notified to the WTO. However, to streamline regulatory processes among local government units and align with WOH recommendations, the Philippine DA BAI issued Memorandum Circular No. 45 (2023), which enumerates requirements for the local movement of meat and processed meat products.

Cold Chain Regulations

The Philippines has long maintained a two-tiered system for regulating the handling of frozen and freshly slaughtered meat for sale in local wet markets. This system imposes more burdensome requirements on the sale of frozen meat, including imported meat, compared to the sale of freshly slaughtered meat, which is sourced predominantly from domestically raised animals. A U.S. Department of Agriculture Food for Progress project includes a cold chain component in its overall mission to improve Philippine sanitary and phytosanitary measures and facilitate agricultural trade.

In June 2020, the DA issued Administrative Order No. 24 to add conditions to approve SPSIC permits by requiring importers to obtain certificates of availability of space at accredited cold storage warehouses and usage reports for imported meat and poultry. While the DA subsequently suspended implementation of Administrative Order No. 24, this measure has not been repealed. In September 2020, the Philippines

reinterpreted its existing regulations to expand its longstanding ban on the sale of imported frozen fishery products in traditional “wet” markets to include modern supermarkets and electronic commerce. As a result, the sale of frozen fish products is limited to institutional buyers, such as food processors and hotel and restaurant chains. The Philippine DA issued a suspension of the SPSIC and allowed canners to import frozen bonito, round scad, and mackerel to stem diversion of these imported fish stocks to wet markets, through Memorandum Orders No. 14 and No. 19, issued on April 1, 2024 and May 8, 2024, respectively.

GOVERNMENT PROCUREMENT

The government procurement system in the Philippines generally favors Philippine nationals or Filipino-controlled enterprises for procurement contracts. Republic Act No. 9184, or the Government Procurement Reform Act, specifies a minimum Filipino ownership requirement of at least 60 percent in the procurement of goods, consulting services, and infrastructure projects. While the Philippines passed amendments to the Government Procurement Reform Act on July 20, 2024, which are intended to improve the public bidding process, government agencies are required to prioritize and favor Philippine products and services throughout all stages of the procurement process, including raw materials, ingredients, supplies, and fixtures. Additionally, Executive Order No. 120 directs government departments and agencies, including government-owned and controlled corporations, to exert best efforts to negotiate offsets equivalent to at least 50 percent of the value of contracts on foreign capital equipment, machinery, products, goods, and services worth at least \$1 million. Government Procurement Policy Board Resolution 14-2005 states that a government agency must comply with the provisions of Republic Act No. 9184 if it decides to adopt countertrade as an internal procurement policy.

The Philippines is not a Party to the WTO Agreement on Government Procurement (GPA), but has been an observer to the WTO Committee on Government Procurement since June 2019.

INTELLECTUAL PROPERTY PROTECTION

While the Philippines has made progress in intellectual property (IP) protection and enforcement since its removal from the Watch List in the 2014 Special 301 Report, the United States continues to have concerns, including regarding its limited enforcement activities. Stakeholders report issues with online piracy and sales of counterfeit goods, including apparel, shoes, watches, jewelry, perfume, and electronics. Such counterfeiting and piracy concerns led to the continued inclusion of Manila’s Greenhills Shopping Center in the [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List). Other stakeholder concerns include slow prosecution and conviction of cases. The government is reportedly considering amending the IP Code to adapt to new technological changes and improve IP protection and enforcement.

The United States continues to engage on the implementation of regulations related to geographical indications (GIs) that entered into force in November 2022, including their potential impact on market access for U.S. products. As part of the October 2018 Joint Statement, the United States recognized that the Philippines committed “to protect GIs in a manner mutually beneficial to both countries by ensuring transparency, due process, and fairness in the laws, regulations, and practices that provide for the protection of GIs, including by respecting prior trademarks and no restriction of the use of common names.” In addition, the Joint Statement includes confirmation by the Philippines that it will not provide automatic GI protection, including to terms exchanged as part of a trade agreement. The United States will continue to monitor the implementation of this and other commitments related to GIs, including through engagement under the TIFA.

SERVICES BARRIERS

Audiovisual Services

The Philippine Constitution prohibits foreign ownership in mass media, including cable television and broadcasting, as well as film distribution and pay-television. Additionally, foreign ownership in private radio communications networks is limited to 40 percent under 2022 changes to the Foreign Investment Negative List (FINL).

Financial Services

Qualified foreign banks may own up to 100 percent of domestically incorporated banks, or enter the market as foreign branches. However, ownership restrictions apply to nonbank investors, regardless of their nationality. Nonbank foreign individuals and enterprises, like nonbank Filipino investors, are restricted from owning more than 40 percent of the total voting stock in a domestic commercial bank and more than 60 percent of the voting stock in a thrift or rural bank.

Banks that seek entry as foreign branches cannot open more than five subbranch offices. The Philippine Central Bank ensures that majority Filipino-owned banks control at least 60 percent of the total banking system assets.

Insurance Services

The Insurance Code provides that all insurance companies operating in the Philippines must seek to cede risks to reinsurance companies authorized to conduct business in the country before entering outward foreign reinsurance arrangements. Moreover, insurance companies operating in the country must cede 10 percent of outward reinsurance placements to the state-controlled National Reinsurance Corporation of the Philippines.

Generally, only the state-owned Government Service Insurance System may provide insurance for government-funded projects and coverage for all government properties, assets, contracts, rights of action, and other insurable risks to the extent of the government's interest.

Professional Services

The Philippine Constitution limits the practices of certain professions to Philippine citizens. However, various laws and regulations offer exceptions on a reciprocal basis, such as medicine, pharmacy, nursing, dentistry, accounting, teaching, architecture, and engineering. The practice of law is still reserved for Philippine citizens.

Advertising Services

The Philippine Constitution limits foreign ownership of advertising agencies to 30 percent. All executive and managing officers must be Philippine citizens.

Retail Services

Philippine law restricts foreign investment in certain retail ventures to Philippine nationals; however, amendments to its Retail Trade Liberalization Act, enacted in December 2021, open the retail sector to greater foreign participation. These amendments lower the minimum investment required for foreign

retailers from \$2.5 million to \$500,000 and lower the per-store investment requirement from \$830,000 to \$200,000. Foreign retailers remain prohibited from engaging in trade outside their accredited stores, such as through the use of carts, sales representatives, or door-to-door selling.

The March 2022 amendments to the Foreign Investment Act reduced capitalization requirements for foreign-owned micro and small domestic enterprises from \$200,000 to \$100,000 if the business involves advanced technology, is registered as a startup or startup enabler, or the majority of its direct employees are Filipino (assuming the firm has at least 15 Filipino employees).

Telecommunications Services

The Philippines allocates and manages spectrum through the Radio Control Law of 1931 (RA 3846 and its amendment, RA 584), Executive Order No. 546 1979, and the Public Telecommunications Policy Act of 1995 (RA 7925). These laws and directives provide the country's legal framework for spectrum enfranchisement, operation, and permitting in line with International Telecommunication Union requirements, and general provisions on the allocation and assignment of radio spectrum. While RA 7925 requires the conduct of open tenders in allocating spectrum, no public bidding has ever been carried out to allocate spectrum (*e.g.*, spectrum auctions). Evaluation of applications typically involves the submission by an applicant of a letter of request to the National Telecommunications Commission for its spectrum needs. This model is inherently non-transparent, constituting an administrative approach by which applicants are chosen based on the government's prioritization of certain criteria (like financial or technical capacity).

INVESTMENT BARRIERS

Limitations on Foreign Ownership

The FINL, which is published every two years and was last updated in June 2022, enumerates foreign investment restrictions. Foreign investment in FINL-listed sectors may be prohibited outright (*e.g.*, mass media, marine resources, and small-scale mining cooperatives) or subject to limitation (*e.g.*, up to 40 percent foreign ownership in natural resource extraction; educational institutions; private radio communication networks; companies participating in government procurement; and public utilities such as electricity transmission and distribution, water and petroleum pipelines, seaports, and public utility vehicles). The 2022 FINL reflects amendments to the Retail Trade Liberalization Act, the PSA, and the Foreign Investment Act. Philippine Presidential Decree No. 194, issued in 1973, mandates foreign companies in the rice and corn sectors divest at least 60 percent of their equities to a Philippine company after locally operating for 30 years. The Philippines has, however, implemented policies to allow 100 percent foreign ownership in power generation and renewable energy technologies such as solar, wind, geothermal, and biomass.

SUBSIDIES

Export Subsidies

The Philippines offers a wide array of fiscal incentives for export-oriented investments, particularly investments related to manufacturing. These incentives are available to qualified firms located in designated export processing zones, free port zones, and other special industrial estates registered with the Philippine Economic Zone Authority (PEZA) and other Philippine Investment Promotion Agencies. The available incentives include: (1) income tax holidays or exemptions from corporate income tax for up to seven years; (2) an option for either special corporate income tax or enhanced deductions for up to 10 years

after the income tax holiday period, with the possibility of a 10-year extension pending approval from the Fiscal Incentives Review Board; (3) payment of a 5 percent special tax on gross income less allowable deductions in lieu of all national and local taxes; (4) exemption from duties and taxes on imported capital equipment, machinery, spare parts, and raw materials; exemption from wharfage dues, imposts, and fees; and (5) a zero percent value-added tax (VAT) rate on local purchases (including telecommunications, electricity, water, and building lease) directly attributable to the registered project or activity.

The CREATE Act introduced a sunset provision on the aforementioned preferential tax rates and benefits provided to activities currently registered with Philippine investment promotion agencies, including the PEZA. The CREATE Act grants a 10-year transition period to export enterprises registered prior to its enactment, with the option to reapply for special corporate income tax treatment subject to the conditions set in the Strategic Investment Priority Plan and a performance review by the Fiscal Incentives Review Board. The Philippines signed the CREATE Maximize Opportunities for Reinvigorating the Economy (MORE) Act on November 11, 2024, to clarify the applicability of VAT zero-rating exemptions and further amend tax incentives.

OTHER BARRIERS

Bribery and Corruption

Corruption is a pervasive and longstanding problem in the Philippines. National and local government agencies, particularly the Bureau of Customs, are beset with various corruption issues. Both foreign and domestic investors have expressed concerns about the lack of transparency in judicial and regulatory processes.

RUSSIA

SANCTIONS AND COUNTERSANCTIONS

In March 2014, due to the conflict in Ukraine, the United States imposed sanctions on Russian Government officials, individuals who supported the annexation policy, and critical sectors of the Russian economy. In response, Russia enacted a variety of measures in retaliation. The initial measures banned the importation of a variety of agricultural and seafood products from the United States and other countries.

Beginning in February 2022, the United States imposed further sanctions on Russia in 2022 and virtually ceased all bilateral engagement on trade and investment issues with Russia. Additional U.S. measures taken since February 2022 have included: withdrawal of Most-Favored-Nation (MFN) status for Russian goods; increased tariffs on certain imports from Russia; import and export bans and restrictions; financial and investment restrictions in certain industries; and blocking measures against certain entities and individuals. In response, Russia has imposed or proposed measures to impact financial transactions, protection and enforcement of intellectual property, exports and re-exports of certain goods, and foreign direct investment, which may extend to nationalization of foreign-owned assets. Russia has also accelerated and expanded its efforts to replace imports with domestic goods and services. Additionally, as a result of the increased geopolitical tensions, hundreds of U.S. companies have withdrawn from or significantly reduced their presence in Russia.

Bilateral trade in goods has fallen from \$31.8 billion in 2012 to \$5.2 billion in 2024. The decline in trade reflects the geopolitical tensions and Russia's increasingly inward-looking industrial and trade policies, as well as the impact of U.S. sanctions and export controls applied to Russia.

This chapter of the National Trade Estimate reports primarily on the significant trade and investment barriers in Russia before February 2022. The United States continues to engage with U.S. stakeholders to analyze and assess the impact of the sanctions and counter sanctions on trade in the broader context of U.S. national interests. However, due to the near total cessation of engagement with Russia, engagement on significant trade barriers in Russia is severely limited.

TRADE AGREEMENTS

Membership in the World Trade Organization

On August 22, 2012, Russia became the 156th Member of the World Trade Organization (WTO). On December 14, 2012, following the termination of the application of the Jackson-Vanik Amendment to Russia, the United States and Russia consented to the application of the WTO Agreement between the two countries. Russia's accession to the WTO signaled its movement to adopt key WTO principles, including transparency. Despite its WTO commitments, as noted in the [2024 Report on the Implementation and Enforcement of Russia's WTO Commitments](#), the Russian Government has maintained restrictive at-the-border measures, instituted behind-the-border measures to inhibit trade, and pursued principles of import substitution and forced localization, taking Russia on a comprehensive trajectory away from the guiding principles of the WTO.

Eurasian Economic Union

Russia is a member of the Eurasian Economic Union (EAEU), a limited customs union that also includes Armenia, Belarus, Kazakhstan, and Kyrgyzstan. Cuba, Iran, Moldova, and Uzbekistan have observer status

at the EAEU. The EAEU has trade agreements with China, Iran, Serbia, Singapore and Vietnam. The Eurasian Economic Commission (EEC) is the supranational body charged with implementing external trade policy for EAEU member states and coordinating economic integration among them. While tariff harmonization and standardized regulatory approvals across member states have eased the process of doing business within the customs union for some U.S. companies, some regulatory regimes such as those applying to medical devices and to pharmaceuticals have not been standardized and still require approvals by the individual member states. As a consequence of its membership in the EAEU, Russia's import tariff levels, trade-in-transit rules, non-tariff import measures (e.g., tariff-rate quotas, import licensing, and trade remedy procedures), and customs policies (e.g., customs valuation, customs fees, and country of origin determinations) are based on EAEU legal instruments. The EAEU member states are estimated to have harmonized approximately 90 percent of their tariffs governing trade with third countries.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Russia's average MFN applied tariff rate for all goods was 6.6 percent in 2023 (latest data available). Russia's average MFN applied tariff rate was 9.7 percent for agricultural products and 6.1 percent for non-agricultural products in 2023 (latest data available).

Russia has bound 100 percent of its tariff lines in the WTO, with an average WTO bound tariff rate of 7.5 percent. Russia's average WTO bound tariff rate for agricultural goods (10.8 percent) was slightly higher than its average applied rate of 9.7 percent in 2023 (latest data available). Russia's average WTO bound rate for non-agricultural products was 7.0 percent, slightly higher than its average applied rate of 6.5 percent. Russia's maximum WTO bound tariff rate was 207 percent in 2023 (latest data available) for beverages and tobacco. Although Russia has implemented all the tariff reductions required by its WTO commitments, some concerns remain.

In 2018, the Government of Russia adopted Decree No. 788 On Approval of Rates of Import Customs Duties In Respect of Certain Goods Whose Country of Origin Is the United States of America (amended April 26, 2022) imposing tariffs ranging from 25 percent to 40 percent on various industrial products (mainly certain types of construction machinery) imported from the United States. Russia took this action in retaliation against the U.S. President's decision to adjust duties on U.S. imports of Russian steel and aluminum articles under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. § 1862). These retaliatory duties are being applied by Russia only, not by other EAEU member states. The United States had been urging Russia to work with the United States to address excess capacity in the global steel and aluminum sectors, rather than engage in unjustified retaliation designed to punish U.S. workers and companies. On August 27, 2018, the United States launched dispute settlement proceedings against Russia at the WTO and requested consultations with Russia. Following unsuccessful consultations in November 2018, a WTO dispute panel was established on December 18, 2018 and composed on January 25, 2019. On June 16, 2023, Russia requested that the panel suspend its work. Despite an objection from the United States, the panel accepted Russia's request and, effective June 23, 2023, the panel suspended its work. On January 22, 2024, the panel consulted the parties on a way forward in these proceedings and each party indicated that it would continue to consult internally on the matter.

Through Decree No. 1173, on July 20, 2023, Russia increased customs duties on imports of certain goods from "unfriendly" countries, including the United States. Specifically, Russia increased duties on wine (from 12.5 percent to 20 percent), purified glycerin (from 9 percent and 12 percent to 50 percent), and

polyurethane (from 6.5 percent to 35 percent). These duty increases were authorized by Presidential Decree No. 973 signed in December 2022 and will stay in effect until December 31, 2025.

Through Decree No. 500, on April 17, 2024, Russia increased customs duties on certain products, including beer (\$0.045 to \$0.11 per liter) and expanded the list of perfumes, cosmetics, and household chemicals subject to a 35 percent tariff.

Through Decree No. 984, on July 19, 2024, Russia expanded the list of goods from “unfriendly” countries to include higher customs duties on lead-acid and other types of batteries from 5 percent to 15 percent up to 35 percent, and confectionary goods and their ingredients from 20 percent to 35 percent. Through Decree No. 1026, on July 29, 2024, Russia increased duties on fresh cut flowers from 5 percent to 20 percent and on wine from 20 percent to 25 percent. Through Decree No. 1239, on September 11, 2024, Russia further increased duties on distilled spirits to 20 percent imported from “unfriendly” countries.

On December 24, 2023, Russia signed Federal Law No. 630-FZ which amended the Federal Law “On Customs Tariffs” providing the government with the authority to reduce or fully eliminate duties on grain, fertilizers, and raw materials exported by “friendly” countries. The law also allows Russia to introduce preferential tariff rate quotas.

Taxes

Russia applies a value-added tax (VAT) of 20 percent on goods, works, and services (with some limited exceptions). According to Article 149.2 (paragraph 21) of the Russian Tax Code, the 20 percent VAT payments on royalties paid for screening Russian movies (as defined in the Russian tax code) can be rebated, but not VAT payments on royalties for screening U.S. (or other non-Russian) films. In February 2022, most major U.S. studios withdrew from and ceased screening movies in Russia. Similarly, Article 149 exempts from the 20 percent VAT the royalties paid on software included in the Unified Register of Russian Software (pursuant to Federal Law No. 188-FZ of June 29, 2015, and Resolution 1236 of November 16, 2015). Because only Russian software is included in the Register, the cost of using non-Russian software can be automatically 20 percent higher than using Russian software.

Russia’s Federal Law No. 89-FZ (as amended), imposes a recycling fee to be paid on imports (since 2012) and domestic (since 2016) automobiles and certain other wheeled vehicles (including self-moving agriculture and industrial vehicles). The fee is determined by the age, total mass, and engine size of the vehicle. Purportedly, the fee was imposed to offset the reduction in tariffs. In September 2024, Russia significantly hiked the recycling fee, effective October 1, 2024, raising rates by 70 percent to 85 percent for passenger cars purchased for resale, light commercial vehicles, trucks, buses, trailers, and semi-trailers. The recycling fee increased from RUB 3,400 and RUB 1,235,000 (approximately \$37 and \$13,323) in 2023 to RUB 556,200 and RUB 2,285,200 (approximately \$6,000 and \$24,360) on October 1, 2024 depending on the total mass and engine size of the vehicle for new passenger cars for personal use. For used passenger cars for personal use and over three years old, the fee remained unchanged at RUB 5,200 (approximately \$56). From January 1 of each subsequent year, the rate will be indexed by 10 percent to 20 percent. The final amount now depends on factors such as the vehicle type, engine size, the car’s age, as well as if the car was purchased for personal use or for resale. Although the fee applies to both domestic and imported vehicles, concerns remain regarding the overall level and calculation of the fee for heavy-duty commercial vehicles.

Russia applies a variable excise tax on automobiles based on their engine size. For example, in 2024, cars with engine power below 150 horsepower (hp) (e.g., a Lada, as well as some models of Fiats, Mini Coopers, and older Fords) are subject to an excise tax of RUB 58 (approximately \$0.63) per hp. For cars with engine power above 150 hp, the excise tax rate increased from RUB 557 per hp to RUB 1,662 per hp

(approximately \$6.01 to \$17.93). Those rates translate to a maximum tax of approximately RUB 8,700 (approximately \$93.85) for a car with less than 150 hp, and RUB 84,10 (approximately \$932.50) for a car with 151 hp, and RUB 832,662 (approximately \$8,982) for a car with over 500 hp (e.g., certain models of Cadillacs, Ford Mustangs, Jaguars, Alfa Romeos or Mercedes Benz). Although the tax applies to both domestically produced and imported vehicles, it disadvantages foreign manufacturers as Russia produces a limited number of high horsepower cars. In its 2022 WTO Trade Policy Review, Russia acknowledged that it does not produce passenger cars with engine power over 300 hp.

Non-Tariff Barriers

Import Bans

Russia has maintained a ban on imports of certain food and agricultural imports from Australia, Canada, the member states of the European Union, Norway, and the United States since 2014. The list of banned food includes: certain beef, pork, poultry, fish and seafood products; fruits and nuts; vegetables; some sausages; and most prepared foods. Russia has since amended the list of products and expanded the list of countries covered by the ban, adding Albania, Iceland, Liechtenstein, Montenegro, Ukraine, and the United Kingdom. In September 2024, Russia extended the ban until December 31, 2026 through Presidential Decree No. 807 On the Extension of Certain Special Economic Measures to Ensure the Russian Federation's Security (September 18, 2024).

Import Licensing

Even before February 2022, the Russian Government maintained barriers to the importation of products with cryptographic functionalities (encryption products). Although Russia has WTO commitments to allow the importation of "mass market" consumer electronics without an import license or other customs formalities (other than import duties), stakeholders report that Russia continues to require at a minimum a one-time notification or, for products with strong encryption, permission from the Russian security services in addition to an import license, which significantly increases import costs and often precludes imports altogether. In addition, pursuant to Government Resolution No. 313 (April 16, 2012), as amended, Russia requires an activity license to distribute encryption products, including many common consumer electronics, which further restricts U.S. exporters' access to the Russian market. Only Russian legal entities or individual entrepreneurs may apply for a local (domestic) encryption license. Representative offices of foreign companies registered in Russia cannot apply for a local license. Prior to February 2022, the U.S. Government had raised these concerns with the Russian Government about the import licensing regime for encryption products but Russia failed to respond.

Customs Barriers and Trade Facilitation

In 2019, Russia began to implement a mandatory labeling regime (track and trace regime) in selected industry sectors that requires the application of an encrypted label to products, both imported and domestically produced, in an ever-widening list of industry sectors. The mandatory labeling regime applied initially to only certain industry sectors (e.g., footwear, apparel, pharmaceuticals, and perfumery products). In 2024, eight new product categories were added to the labeling regime. As of December 31, 2024, Russia digitally traces 24 groups of goods, ranging from dairy goods, bottled water, medicines, and cigarettes to five light industry product categories, with the goal of making most consumer goods digitally traceable by 2026. Various affected industry stakeholders have raised significant concerns about the regime, including: short implementation timelines; the risk of disclosure and misuse of sensitive commercial data collected under the regime; the lack of operational details from the Russian Government; the quantity of detailed data required for the labels; the possibility of national treatment and trading rights issues stemming from different procedures for importers to obtain these labels compared to domestic manufacturers; the

requirement that the labels must be purchased from a single Russian company; the duplication with existing tracking regimes (e.g., the system for tracking alcohol products); and arbitrary misuse of the system to halt imports. Russia had shown some flexibility in response to stakeholder concerns and, in 2022, suspended some of the labeling requirements. The suspension was lifted in stages in 2023 to 2024.

U.S. stakeholders report that the Russian Government does not publish all regulations, judicial decisions, and administrative rulings of general application on customs matters. In addition, U.S. exporters report that customs enforcement varies by region and port of entry, and that changes in regulations can be frequent and unpredictable, adding to costs and delays at the border.

Import Substitution Policies

Russia's extensive import substitution policies, which have been in place since before February 2022, have posed a significant barrier to a wide variety of U.S. exports and have caused a precipitous drop in trade. These policies have a long history in Russia, but have increased in prominence in the past few years and transformed into a set of policy initiatives to ensure Russia's technological sovereignty by reducing its dependence on foreign technologies. Sectors in which these policies have been developed and implemented over the last several years include: agriculture; transport vehicles; telecommunications; consumer goods; textiles; optical fiber; defense; banking; oil and gas; solar and wind energy; software; aircraft manufacturing; and medical devices. *(For further information, see the sections on Investment Barriers, State-Owned Enterprises, and Government Procurement.)*

Initially, the Russian Government implemented these preferences primarily through government procurement, but, since 2015, has increasingly extended the mandated preferences to purchases by state-owned enterprises (SOEs). For example, Russia's law governing SOE purchases expressly: (1) favors Russian-produced products; (2) grants the Russian Government the authority to establish plans and tender rules for the purchase of specific Russian goods, works, and services; (3) establishes a Government Import Substitution Commission with responsibility for determining which types of machinery and equipment must be sourced locally for large investment projects by SOEs, state corporations, or certain private businesses; (4) requires the coordination of SOEs' purchases of pharmaceutical, high technology, and innovative products with the government; and (5) recommends that SOEs follow the more restrictive procurement rules that govern federal and municipal procurement. *(For further information, see the Government Procurement section.)*

Russia's import substitution requirements have not been limited to SOEs. Since December 2019, Russia has required the pre-installation of Russian software (e.g., search engines, Yandex browser, mapping and navigation software, anti-virus software, software that provides access to electronic government infrastructure, instant messaging and social network software, and national payment software) on certain consumer electronic products (e.g., smartphones, computers, tablets, and smart TVs) sold in Russia. (Law No. 425 On Amending Article 4 of Russian Federation Law 'On Protecting Consumer Rights' December 2, 2019.) Stakeholders contend that the law appears to be another effort by the Russian Government to disadvantage imports and increase control over technology. In August 2023, the Russian Government approved a new list of Russian software that must be pre-installed on smart TVs in 2024, adding several video streaming services. The list of programs for computers and mobile devices remained basically the same. In addition, technology companies are concerned that the law would expose devices and services to potentially unsafe, insecure, or unreliable technology. The United States raised concerns directly with the Russian Government prior to 2022.

Russia has expanded its localization policies beyond Russian-made goods to include Russian-origin services. *(For further information, see the Services Barriers section.)*

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

U.S. companies cite Russia's administration of technical regulations and related product-testing and certification requirements as major obstacles to U.S. exports of industrial and agricultural goods to Russia. Russia does not accept export certificates recognized by other countries, such as those issued by the Food and Drug Administration. Russia recognizes only the certificates issued by authorized agencies from one of the EAEU member countries with a representative office in Russia. Russian authorities require product testing and certification as a key element of the approval process for a variety of products; and in many cases, only an entity registered and residing in Russia can apply for the necessary documentation for those product approvals. Consequently, opportunities for testing and certification performed by competent bodies outside Russia are limited, which is contrary to standard practice and inappropriately increases the burdens for companies exporting to Russia. Manufacturers of telecommunications equipment, oil and gas equipment, construction materials and equipment, and veterinary biologics, such as vaccines, have reported serious difficulties in obtaining product approvals within Russia. Other EAEU member states are in the process of adopting similar requirements.

Alcoholic Beverages

Stakeholders have raised concerns about legislative amendments that affect Russia's regulation of the wine market, particularly Federal Law No. 345-FZ of July 2021. Stakeholders are concerned that certain definitions and provisions, such as limitations placed on wine exported to Russia in bulk and restrictions on the use of certain ingredients, could create barriers to exports from the United States and other producers of wine. Stakeholders have also raised concerns related to limitations on the right to use certain geographical indications (GIs) or appellations of origin, and the rules governing labeling (with follow-on implications for labeling approvals). In December 2022, the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications, which contains requirements that can reduce safeguards for the use of common names, came into force in Russia.

In addition, stakeholders noted that Russia requires one or multiple certificates for imported wine from the United States, even when those wines conform to both U.S. and Russian standards. Often, these certificates must be an original document issued by the U.S. Department of Treasury (Alcohol and Tobacco Tax and Trade Bureau) or an officially accredited organization located in Russia. Stakeholders also expressed concerns about the Ministry of Industry and Trade's (MoIT) November 2022 decision to allow imports of premium liquor brands without the trademark owners' consent under Russia's parallel imports scheme. When appropriate, the United States will work to ensure that Russia's and the EAEU's alcoholic beverages control regime is consistent with Russia's WTO commitments, and international standards or guidelines for such products.

Pharmaceuticals

U.S. stakeholders continue to raise concerns about the implementation of Russia's Good Manufacturing Practices (GMP) regime for pharmaceutical products. U.S. stakeholders are concerned that Russia treats domestic and foreign manufacturers differently in the implementation of its GMP regime for medicines. For example, stakeholders have highlighted the higher rate of unwarranted denials of foreign GMP certificates, the lack of a process for paper review of corrective actions for minor deficiencies, and the disparate, legislatively-mandated treatment of GMP procedures for local and foreign sites. Moreover, industry stakeholders report that the GMP certificates for veterinary drugs, required since September 1,

2023, present a significant barrier to imports and could potentially close the Russian market to exports of U.S. veterinary drugs.

Toys

U.S. industry is concerned about the arbitrary exclusion of certain toys from the Russian market as a result of the “psychological assessment of toys, games and play structures” required under the 1998 Federal Law No. 124-FZ On Basic Guarantees of Children’s Rights to the Russian Federation. U.S. toy industry stakeholders have also raised a concern about the EAEU’s ban on recycled content in toys, which they claim contradicts global toy safety standards and undermines the growing focus of the U.S. toy industry on sustainability.

Sanitary and Phytosanitary Barriers

Russia has banned imports of most agricultural products since August 2014. In addition to the import ban, the market access barriers discussed below are longstanding and continue to be of concern for the United States.

Food Safety, Plant, and Animal Health Standards

Russia maintains standards on a wide array of animal products that are inconsistent with international standards set by the World Organization for Animal Health (WOAH), the International Plant Protection Convention (IPPC), or the Codex Alimentarius Commission (Codex) without an apparent scientific justification. Findings of veterinary drug residues during Russian border inspection of U.S. meat and poultry products have resulted in trade disruptions, including the suspension of previously-approved U.S. beef, pork, and poultry facilities. For example, in October 2013, the EEC adopted a zero-tolerance policy for beta-agonists, including ractopamine, and trenbolone acetate for beef and pork products. These standards are more stringent than the Codex’s maximum residue limits for these substances in both beef and pork. Russia notified this measure to the WTO in November 2017, and to date the United States is not aware of any complete risk assessment. Although the United States has established a Never Fed Beta Agonists Program, Russia’s prohibition of these veterinary drugs, including for products that are not affected by Russia’s import bans, prevents U.S. exporters of beef and pork products from accessing the Russian market.

U.S. exporters of agricultural products also continue to face systemic issues in Russia. For example, since August 2008, Russian and EAEU veterinary certificates require U.S. regulatory officials to certify that exported products satisfy EAEU sanitary and veterinary requirements and meet certain chemical, microbiological, and radiological standards. These requirements are problematic because many EAEU sanitary and veterinary requirements appear to be excessively restrictive and lacking in scientific justification. Similarly, Russia requests U.S. exporters to submit certifications stating that the United States is free from various livestock diseases, even where the product in question could pose no risk of transmission. In other cases, Russia requires sanitary or phytosanitary attestations on export certificates for low-risk food or agricultural products without providing scientific evidence of the risk justifying such measures. For example, Russia requires phytosanitary attestations for shipments of certain plant-origin products destined for further processing, such as corn for popcorn, even though such processing removes any potential plant health risk. The United States is also concerned with Russia’s failure to remove certain veterinary control measures for lower-risk products. Russia maintains a ban on cultivation of genetically engineered (GE) crops and the import of GE planting seeds, as well as stringent import restrictions on animal feed and burdensome methodological guidelines for the registration of GE products. The United States has pressed and will, as appropriate, continue to press for the removal of these types of barriers to exports of U.S. plant and animal products.

Approved Exporter and Facility Listing Requirements

Pursuant to a June 2010 EEC regulation, Russia only allows imports of most products under veterinary control (*e.g.*, meat, poultry, dairy, and seafood) from facilities on a list approved by all EAEU member states. Pursuant to a bilateral agreement signed in November 2006, Russia agreed to grant U.S. regulatory officials the authority to certify new U.S. facilities and recertify U.S. facilities that have remedied any previously reported import noncompliance. In practice, however, Russia has not consistently recognized the authority of U.S. regulatory officials to certify additional U.S. facilities, and there have been delays in responding to U.S. requests to update the list of approved U.S. facilities. Russia justifies its approach based on the EEC Customs Union Commission Decision No. 834, dated October 18, 2011, On the Regulation on the Harmonized Procedure of Joint On-Site Inspections and of Taking Samples of Goods (Products) Subject to Veterinary Control (Supervision) and the subsequent EEC Decision No. 94, dated October 9, 2014, On the Regulation on the Harmonized Procedure of Joint On-Site Inspections and of Taking Samples of Goods (Products) Subject to Veterinary Control (Supervision). The EAEU has competence for facility inspections and approvals. The United States worked with Russian and EAEU authorities to negotiate an EAEU inspection regulation that allows the EAEU to accept the certification of additional facilities provided by sanitary and phytosanitary authorities in third countries that certify new facilities. However, implementation of this regulation has lacked predictability and transparency because EAEU member states often continue to insist on conducting their own inspections prior to approving a facility, without providing any rationale.

Similarly, Russia maintains exporter approved lists. Russia has effectively banned the importation of U.S. dairy products since September 2010, when Russia's Federal Service for Veterinary and Phytosanitary Surveillance (VPSS) instructed customs officials to allow shipments only from exporters on VPSS-approved lists. The EEC has now extended this listing requirement to most agricultural products. This directive appears to be inconsistent with EAEU legislation eliminating the requirement that a foreign producer be included on an approved list in order to be eligible to export dairy products to the EAEU. The listing requirement continues to prevent U.S. exports of heat-treated dairy products despite the fact that, in March 2014, the United States and the Russia–Kazakhstan–Belarus Customs Union (CU) concluded negotiations on a U.S.–CU veterinary certificate. Despite its WTO accession commitment to eliminate listing requirements for pet food and animal feed products, Russia also continues to require approved lists of exporting establishments for pet food of animal origin. The United States has worked, where possible, with Russia and the other EAEU member states to eliminate the listing requirement for exporters, including heat-treated dairy products.

GOVERNMENT PROCUREMENT

On August 8, 2024, Russia adopted Federal Law No. 318 FZ, effective January 1, 2025, introducing amendments aimed at streamlining Russia's legislative framework governing restrictions on procurement of foreign goods, as well as various preferences for goods and services originating in Russia and other EAEU member countries. As of December 31, 2024, Russia was still working on a Resolution to implement the provisions for Federal Law No. 318 FZ. The amendments include three main types of domestic and

content procurement preferences: 1) ban on the purchase of foreign goods;² 2) restrictions on the purchase of foreign goods;³ and 3) minimum domestic content requirements.⁴

The August amendments replaced the “three’s-a-crowd” localization policy, which banned government procurement of certain imported goods if more than two companies from EAEU member countries submitted a bid. Effective January 1, 2025, the amendment introduces a universally applied “two’s-a-crowd” and establishes a 15 percent preference for goods and services of EAEU origin.⁵ If more than two companies from EAEU member countries submit a bid, goods and services with higher levels of local content will be granted procurement preferences.

Russia continues to favor local production of medicines through its government procurement system. In November 2024, Russia’s Ministry of Finance introduced a resolution to aim to bring together all procurement restrictions and preferences related to medicines.⁶ The draft government resolution introduces the “two’s-a-crowd” rule in public drug procurement of essential drugs providing procurement preferences to pharmaceutical companies in EAEU member states that engage in full-cycle pharmaceutical R&D and manufacturing. The draft decree came into force on January 1, 2025.

In 2016, the Russian Government issued Decree No. 832 (last amended in May 2022) banning certain food and dairy products from non-EAEU member states for federal and municipal government procurement, (including fresh and frozen fish, fish products, canned fish, salt, beef, pork, veal, poultry, cheese, cottage cheese, rice, butter, and sugar) and established minimum purchasing requirements of domestic goods.

In sum, Federal Law No. 318 FZ replaces resolutions that will be declared void and unenforceable beginning on January 1, 2025.⁷

Russia has expanded the reach of its import substitution policies into the technology sector. Pursuant to amendments to Russia’s national procurement law (Law No. 44-FZ), Russia has created a registry of Russian software. Foreign-made software not on the list will no longer routinely qualify for federal and municipal government procurement, unless no similar domestically produced software is available. In July 2016, the Russian Government went a step further and issued an order approving a three-year plan to switch government agencies to Russian-origin office software. According to U.S. stakeholders, because the move to domestic software was not moving fast enough, the Russian Government in 2020 proposed measures that would expand the list of companies considered Critical Information Infrastructure (CII), and thus extending to many private companies the import substitution requirements applied to government entities. In March 2022, the Russian President signed Decree No. 166 to ban SOEs from procuring foreign software and information technology (IT) services for the CII that they operate. The Decree also bans SOEs and public authorities from using foreign IT for CII starting on January 1, 2025. In August 2023, the MoIT

² Federal Law No. 318 FZ: “List 1” includes 150 categories of foreign goods banned in Russia. The amendment replaces government resolutions No. 616 (April 20, 2020) for industrial goods for defense and national security and No. 1236 (November 16, 2015) for foreign software.

³ Federal Law No. 318 FZ: “List 2” includes 452 categories of foreign goods banned in Russia. The amendment replaces government resolutions No. 617 (April 20, 2020) for industrial goods; No. 878 (July 10, 2019) for radio electronics; No. 832 (August 22, 2016) for food items; No. 102 (February 5, 2015) for medical devices; and No. 1289 (November 30, 2015) for pharmaceuticals.

⁴ Federal Law No. 318 FZ: “List 3” includes 273 categories of domestic critical goods. The amendment replaces government resolutions No. 2013 (December 3, 2020) and No. 2014 (December 3, 2020).

⁵ The amendment replaces government resolution No. 925 (September 16, 2016) that included a 15 percent preference for Russian goods.

⁶ The draft resolution would replace government resolution No. 1289 (November 30, 2015) which regulates procurement of foreign-made pharmaceuticals included in the Essential Drug List (EDL).

⁷ These include: government resolutions: No. 616 (industrial goods for defense and national security); No. 617 (other industrial goods); No. 878 (radio electronics); No. 832 (food items); No. 102 (medical devices); No. 1289 (pharmaceuticals); No. 925 (15 percent preference for Russian goods); No. 2013 and No. 2014 (domestic content requirements).

released a detailed action plan to ensure SOEs and public authorities meet the January 2025 deadline. On June 13, 2024, Russia amended Decree No. 250 of May 1, 2022 “On Additional Measures to Ensure Information Security of the Russian Federation” to ban public authorities, state-owned and strategic enterprises considered CII from using foreign cybersecurity services from “unfriendly” countries starting on January 1, 2025. The Decree also provides the Federal Security Service (FSB) with broader authority to monitor CII compliance with the new regulations. The original Decree banned CII operators from using foreign software and/or hardware. The operators are now also banned from using cybersecurity services originating from “unfriendly” countries.

In March 2024, Russia submitted to the State Duma a draft bill to expand the list of companies considered CII. If the bill becomes law, it will extend import substitution and local content requirements already applied to government entities to private operators of CII starting on March 1, 2025.

Russia is not a Party to the WTO Agreement on Government Procurement (GPA), but has been an observer to the WTO Committee on Government Procurement since May 2013.

INTELLECTUAL PROPERTY PROTECTION

Russia remained on the Priority Watch List in the [2024 Special 301 Report](#). Challenges to intellectual property (IP) protection and enforcement in Russia include continued copyright infringement, trademark counterfeiting, and the existence of non-transparent procedures governing the operation of collective management organizations (CMOs). The United States is also closely monitoring proposals and measures undertaken by Russia to target IP rights for foreign right holders based in countries that have sanctioned Russia. Some of these measures have been implemented, including Decree 299, which permits Russian companies and individuals to forgo compensation to right holders for the use of inventions, utility models, and industrial designs under Article 1360 of the Russian Civil Code, if the right holder is a national from a list of countries designated by Russia as “unfriendly” due to factors including publicly supporting or calling for sanctions against Russia. Another measure, Decree 322, restricts the ability of foreign right holders from those same “unfriendly” states to collect license payments for most types of IP.

Russia’s inadequate and ineffective protection of copyright, including with regard to online piracy, continues to be a significant problem, damaging the market for legitimate content in Russia and in other countries. Despite adoption of anti-piracy legislation in 2017, Russia remains home to several sites that facilitate online piracy, as identified in the [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List). Stakeholders continue to report significant piracy of video games, music, movies, books, journal articles, and television programming. While right holders are able to obtain court-ordered injunctions against websites and smartphone applications offering infringing content, investigations and prosecutions of the owners of the large commercial websites distributing pirated material, including software, are lacking.

Trade in counterfeit goods causes significant financial losses for U.S. right holders and legitimate businesses. Russia remains a thriving market for counterfeit goods sourced from China. Despite increased seizures by the Russian Federal Customs Service, certain policies hamper IP enforcement efforts. For example, the “return to sender” policy for small consignments, which returns counterfeit goods to their producer, is problematic because it does not remove such goods from channels of commerce.

CMOs for copyright can play an important role in ensuring compensation for right holders when CMO practices are fair, efficient, transparent, and accountable. However, royalty collection by CMOs in Russia continues to lack transparency and lags behind international standards. Reports indicate that right holders

are denied detailed accounting reports, making it difficult to verify how much money is being collected and distributed. Also, right holders are excluded from the selection and management of CMOs.

Finally, the United States is concerned about Russia's implementation of its WTO commitments related to the protection against the unfair commercial use, as well as the unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products. Stakeholders report that Russia is eroding protections for undisclosed data and lacks an effective mechanism for the early resolution of potential pharmaceutical patent disputes. Stakeholders also continue to express concerns regarding certain evidentiary standards applied by the judiciary.

SERVICES BARRIERS

Russia has extended its import substitution policies beyond the provision of goods to include the provision of services.

Audiovisual Services

In January 2022, the Russian Government announced that it would require any streaming service with over 100,000 daily users to register as a Russian company and to add 20 Russian television channels to its service, including Russian news stations, thereby forcing U.S. suppliers to become platforms for Russian state propaganda. However, affected U.S. companies suspended operations in Russia before the measure went into effect.

Financial Services

On August 8, 2024, Russia approved amendments to Federal Law No. 395-1 "On Banks and Banking Activities" to allow foreign banks from both "friendly" and "unfriendly" countries to open branches in Russia, but no more than one branch. Foreign bank branches may now provide banking services in Russia to corporate entities, but they do not have the right to conduct banking operations with individuals, except for the transfer of funds without opening a bank account and the purchase and sale of foreign currency are only allowed to make fund transfers without opening a bank account.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Shutdowns and Other Threats to the Open Internet

Russia has regularly restricted access to information and services, and imposed periodic Internet shutdowns, disrupting commercial operations, and thereby undermining a free and open Internet and impeding trade in the digital economy. Many U.S. websites and applications remain blocked and Russia continues to restrict access to virtual private networks (VPNs). Russia continues to develop its own domain name system (DNS) service, which will centralize control of all internet traffic and further their ability to restrict access to the global Internet. The United States continues to monitor the impact of these events on U.S. trade and investment, including services exports.

Data Localization Requirements

In 2016, Russia began to enforce the first step of its data localization regime. By 2020, the Russian Government had implemented a regime requiring certain electronically-collected data about Russian citizens to be processed and stored in Russia. This has imposed significant operational challenges on providers of data-intensive services, as well as on manufacturers who rely on those services. The

requirements also raise concerns about state surveillance. Russia also requires certain telecommunications and Internet service providers (ISPs) to store certain communications content locally for six months and to store metadata for such content for one year or longer, depending on the type of provider (Yarovaya law⁸), giving the Russian security services the opportunity to request those data.

Other Digital Trade Issues

Russian ISPs must install a special device on their servers to allow the Russian security services to track all credit card transactions. Russia threatens to shut off market access to ISPs that allow their customers to use virtual private networks (VPNs). In addition to the obvious concerns over state surveillance, industry stakeholders contend that the effects of these laws limit their ability to offer a variety of services in Russia and increase the cost of doing business in Russia, particularly for small and medium-sized enterprises (SMEs). Moreover, the Yarovaya law may require ISPs to provide excessive access to citizens' private information, which raises privacy concerns.

In 2021, Russia implemented the so-called Landing Law which requires certain IT companies (*i.e.*, any company with a website or an application with more than 500,000 daily users) to establish a physical presence in Russia. U.S. companies, particularly SMEs, contend that this local presence requirement, coupled with difficult compliance requirements, harsh penalties, and concerns about staff safety, can constrain their ability to operate their businesses in Russia. As of December 2023, the Landing Law was dramatically tightened with a special focus on global web hosting and cloud storage providers. In addition to opening a Russian office and local bank account, foreign hosting and cloud service providers are now obligated to specially register with the Federal Tax Service and identify their clients.

INVESTMENT BARRIERS

With the imposition of sanctions by the U.S. Government, numerous U.S. companies have withdrawn from the Russian market or severely limited operations. For companies with a continued presence in Russia, corruption, lack of transparency, inability to repatriate capital, and the threat of creeping expropriation remain impediments to a stable and predictable investment environment for U.S. investors. In 2022, Russia introduced significant restrictions on cross-border transactions, such as the sale of shares, payment of dividends, and liquidation of Russian entities controlled by persons from jurisdictions deemed "unfriendly" by the Russian Government. Further obstacles to investment in Russia include: problems with enforcing the rule of law; restrictions on foreign ownership of agricultural land and land in border areas and on investment in the mining and mineral extraction sectors; inadequate dispute resolution mechanisms; weak corporate governance, including the protection of minority shareholder rights; and the absence of requirements for all companies and banks to adhere to accounting standards consistent with international norms. In 2023, Russia continued to adopt a variety of measures restricting the business affairs of foreign investors from "unfriendly" states (*e.g.*, limiting disclosure requirements in certain sectors, allowing payment of financial obligations in rubles rather than dollars, limiting certain transactions in sensitive sectors, placing Russian assets of several foreign companies which Russia claims will be under temporary control of the Federal Agency for State Property Management, and setting additional conditions for the exit of foreign companies from Russia). Finally, despite the existence of an Anticorruption Council and anticorruption legislation, with the departure of many international companies and the growing role of the state in the domestic economy, corruption is an increasing concern in Russia.

⁸ The Yarovaya Law (or Yarovaya package) consists of two federal bills passed in 2016 which amended previous counter terrorism and public safety measures. The legislation expanded the authority of law enforcement agencies, new requirements for data collection and other restrictions.

On May 23, 2024, Russia issued Decree 442 (“On the Special Procedure for Compensation for Damage caused to the Russian Federation and the Central Bank of the Russian Federation in Connection with the Unfriendly Actions of the United States”), which establishes a framework to compensate the Russian Government and the Russian Central Bank for losses from the seizure of Russian sovereign assets by the U.S. Government. Under this framework, on October 10, 2024, Russia further tightened the rules for foreign company exits from Russia, including by increasing the minimum discount for transactions involving the sale of assets in Russia by foreigners from 50 percent to 60 percent. This decision also raised the “exit tax” from 15 percent to 35 percent of asset value and added a requirement of Presidential approval for transactions worth more than 50 billion RUB (approximately \$539 million).

Investment Taxes

U.S. companies have raised concerns about Russian tax authorities’ scrutiny of payments that cross Russia’s borders, but remain, for tax purposes, in the legal structure of the same Russian company. This issue has arisen when a multinational company transfers an employee temporarily to the company’s Russian office from an office outside Russia. Under internationally accepted accounting standards, these normal business practices are handled as an intra-firm payment from one office to the other, or to the headquarters in the case of royalty payments. However, Russian tax inspectors have in the past disputed such expenses as economically unjustified and, consequently, impermissible under the Russian Tax Code.

SUBSIDIES

Russia is not permitted to subsidize exports of agricultural products pursuant to its WTO accession commitments. However, U.S. stakeholders have raised concerns about the potential cost advantage to certain Russian agricultural producers resulting from the provision of subsidies for the transportation of agricultural products, including for the transportation of wheat, barley, and corn from interior regions toward export destinations. Russia has provided this subsidy since 2017, stating the measure is intended to stimulate the movement of grain exports, stabilize domestic grain prices, and support profit margins of agricultural producers. In August 2023, Russia relaxed the eligibility criteria for railroad transportation subsidies available for producers of agricultural goods and fertilizers. The United States is concerned that this measure directly or indirectly subsidizes exports of Russian agricultural products. The implementing decree No. 1104, dated September 15, 2017, specifically mentions several border crossings with Mongolia and China and authorizes the Russian Export Center (REC) to administer the subsidy. According to Russia, the REC is a state export promotion institution that provides financial and non-financial export support both to agricultural and non-agricultural value-added products.

STATE-OWNED ENTERPRISES

Russia’s numerous SOEs play a prominent role across much of the Russian economy. The Russian Academy of National Economy and Public Administration (RANEPA) estimated in May 2023 that the state’s share in the economy had grown from 47.3 percent in 2016 to 56.2 percent in 2021. While private enterprises are theoretically allowed to compete with SOEs on the same terms and conditions, in practice, the competitive playing field is distorted in favor of SOEs. These advantages result from SOEs’ lack of transparency and lack of independence. The presence of senior Russian Government officials on their boards of directors, government subsidies, preferential lending by state-owned banks, misalignment of managers’ incentives and company performance, inadequate control mechanisms on managers’ total remuneration or their use of assets transferred by the government to the SOEs, and minimal disclosure requirements further distort the competitive landscape.

A specific variant of SOEs, state corporations, are completely owned by the government and operate under separate legislation and in a marketplace distorted in their favor. For example, state corporation holding structures and management arrangements (*e.g.*, senior government officials as board members) create conditions for preferential treatment and leave significant scope for discretion and lobbying by company insiders, which disadvantage private enterprises. There are six state corporations: Rosatom, VEB, Fund for Communal Housing, Deposit Insurance Agency, Roskosmos, and Rostec.

In order to spur growth and boost revenue through privatizations, the Russian Government in October 2024 decided to extend its existing three-year privatization program through 2027. From 2025 to 2027, Russia plans to fully privatize 20 federal state unitary enterprises and sell its stakes in 166 joint stock companies and seven limited liability companies. As of December 31, 2024, the Russian Government still owned 269 federal state unitary enterprises, as well as stakes of various sizes in 723 SOEs. As of December 31, 2024, the Russian Government still maintained a list of 55 SOEs with “national significance” that are either wholly or partially owned by Russia and whose privatization is permitted only with a special governmental decree, including Aeroflot, Rosneft, Rosneftgaz, Transneft, Russian Railways, and VTB. However, Russia has been slow in implementing the privatization plan. The treatment of foreign investors in privatizations conducted to date has been inconsistent, with foreign participation at times confined to minority stakes, which creates concerns about protection for minority shareholders and corporate governance.

OTHER BARRIERS

Export Policies

Notwithstanding its stated intent of reducing export duties following its accession to the WTO in 2012, Russia in 2022 began to impose various export restrictions on a wide variety of products. For example, in March 2022, Russia imposed a temporary ban on exports of over 200 types of industrial products including technological, communications and medical equipment, vehicles, agricultural machinery, and electrical equipment covering over 1,600 items, in total. In December 2023, the Russian Government extended the ban through the end of 2025. In May 2023, the list of industrial products subject to the ban was narrowed by about 200 items. In addition, notwithstanding the global food security crisis, Russia has imposed temporary export restrictions (*e.g.*, export bans, export quotas, or export duties) on sunflower seeds, soybeans, grain crops, white sugar, raw cane sugar, rice and rice cereal, rapeseed, millet, buckwheat, meslin, cereal and cereal pellets, crude flour, barley, rye, corn, onions, garlic, turnips, sunflower oil and bagasse, fish products, sulfur used to produce sulfur-containing fertilizers, sulfur containing fertilizer, nitrogen-containing fertilizer. Other temporary export restrictions include non-agricultural products such as certain types of logs, ferrous waste and scrap, stainless scrap and waste, waste and scrap of other alloy steel, and waste and scrap of tungsten. Export restrictions for many of the agricultural goods continue to be extended. In September 2024, Russia considered a possible ban on exports of raw materials such as uranium, titanium and nickel in response to sanctions limiting imports of certain Russian goods. On November 14, 2024, Russia announced a temporary ban on exports of uranium products (Government Decree 313).

In September 2023, the Russian Government, through Resolution 1538, introduced exchange rate-linked export duty rates for the period of October 1, 2023 through December 31, 2024. The new rates apply to wide range of export commodities and goods, including oil, gas, grains, timber, machine building and scrap metal, fertilizers, nickel, aluminum, ferrous metal products, ceramics, precious metals and jewelry, paper and cardboard, wool, cotton, chemical fibers, textile material, polymers, and rubber. The scope of this measure covers about 30 percent of Russia’s exports. Export duties vary from zero percent to 7 percent. Export duties on fertilizers were increased from 7 percent to 10 percent if the exchange rate remains above

RUB 80 per \$1.00. On October 17, 2024, the Russian Ministry of Finance confirmed that the exchange rate-linked export duty rates will expire on December 31, 2024 and will not be extended to 2025.

In February 2024, Russia introduced a six month ban on gasoline exports as a pre-emptive measure to avoid domestic fuel shortages and prices spikes anticipated during the Spring sowing campaign and the summer driving season. The ban was temporarily lifted starting on May 20, 2024 through the end of June 2024 as the domestic market remained supplied despite higher demand and refinery disruptions. In August 2024, Russia reimposed and extended the export ban through December 31, 2024. A ban on diesel exports was lifted in November 2023.

SINGAPORE

TRADE AGREEMENTS

The United States–Singapore Free Trade Agreement

The United States–Singapore Free Trade Agreement (FTA) entered into force on January 1, 2004. The United States and Singapore meet regularly to review the implementation and functioning of the Agreement and to address outstanding issues.

INTELLECTUAL PROPERTY PROTECTION

Despite Singapore’s overall strong record on intellectual property (IP) protection and enforcement, U.S. stakeholders continue to raise concerns regarding enforcement efforts against infringing goods transshipped through Singapore and the use of unauthorized streaming services and third-party illicit streaming devices to access pirated content. Since November 2021, amendments to the Copyright Act impose civil and criminal liability for knowingly making, importing for sale, commercially distributing, or selling illicit streaming devices, and also for providing a service to enable such devices to access content from unauthorized sources. The United States continues to monitor the implementation of these measures.

The United States continues to urge Singapore to implement its geographical indication (GI) system in a fair and transparent manner that does not undermine market access for U.S. producers and exporters who hold trademarks or rely on the use of common names, including in connection with trade agreement negotiations and implementation.

SERVICES BARRIERS

Financial Services

When considering certain mergers or takeovers of banks, the Government of Singapore has a policy of maintaining local banks’ market share at no less than 50 percent of total resident deposits. Regarding the expansion of business within Singapore, the Monetary Authority of Singapore (MAS) will consider awarding full bank privileges to new qualifying foreign banks from countries like the United States, with which Singapore has entered into a free trade agreement, provided there are substantial benefits to Singapore.

The MAS has issued digital bank licenses to two digital full bank firms and two digital wholesale bank firms since December 2020. For digital full banks, the MAS mandates the following requirements: applicants must be “anchored” in Singapore (meaning that they must be incorporated in Singapore), controlled by Singaporeans, and headquartered in Singapore; a majority of its applicants’ employees must be Singapore citizens; and foreign entities must form a joint venture with a Singaporean company.

Professional Services

Legal Services

Except in the context of international arbitration, U.S. and other foreign law firms with offices in Singapore are not allowed to advise on Singaporean law by employing, or entering into partnership with, Singapore-qualified lawyers. To advise on Singaporean law, foreign firms must either form a joint venture with a

Singaporean law practice (licensed as a Joint Law Venture) or obtain licensing as a Qualifying Foreign Law Practice (QFLP). QFLP licenses are limited. Ten licenses have been issued since 2008; nine are still active since the previous round of renewal in December 2020. According to the Ministry of Law, the QFLP scheme is not currently open for application, and there are no details available regarding future applications.

OTHER BARRIERS

Medical Products

U.S. stakeholders have expressed interest in greater transparency regarding the Ministry of Health's procurement process, subsidy policies, and procedural rules regarding medical devices and pharmaceuticals, notably for approvals of biopharmaceutical innovations.

Pharmaceuticals

In August 2021, Singapore introduced a list of government-approved cancer drugs and treatments eligible for the country's basic health insurance plan and the financing of outpatient cancer treatment, which will be available to citizens and permanent residents. It is important for Singapore to provide stakeholders with meaningful opportunities for input when considering changes to its reimbursement policies.

SOUTH AFRICA

TRADE AGREEMENTS

The United States and South Africa signed a Trade and Investment Framework Agreement (TIFA) on June 18, 2012, amending the original 1999 agreement. The TIFA is the primary mechanism for discussions of trade and investment issues between the United States and South Africa.

IMPORT POLICIES

Tariffs

South Africa's average Most-Favored-Nation (MFN) applied tariff rate was 7.6 percent in 2023 (latest data available). South Africa's average MFN applied tariff rate was 8.5 percent for agricultural products and 7.4 percent for non-agricultural products in 2023 (latest data available). South Africa has bound 93.8 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 19.0 percent, including 39.0 percent for agricultural products and 15.6 percent for non-agricultural products in 2023 (latest data available). South Africa's maximum WTO bound tariff rate for industrial products is 50 percent, and its maximum WTO bound tariff rate for agricultural products is 597 percent.

The European Union–South African Development Community (SADC) Economic Partnership Agreement (EPA), which has been provisionally applied since October 2016 but is pending entry into force while awaiting ratification by all EU Member States, has led to greater disparities in tariff rates between EU and U.S. exports. The United States has raised concerns about the tariff disparity in bilateral discussions with South Africa, noting the unilateral tariff benefits that the United States offers South African imports under preference programs such as the African Growth and Opportunity Act (AGOA).

The South African International Trade Administration Commission (SAITAC) is reviewing the poultry tariff structure and considering proposals that include instituting a specific tariff rate rather than *ad valorem* duties and redefining tariff lines to reflect tariffs at the Harmonized System 6-digit, 7-digit, or 8-digit level. This tariff line change would fold different product categories together, and the South African Government could then select the highest tariff from among the group to represent the new product set.

The antidumping tariff-rate quota (TRQ) established by U.S. and South African poultry industry groups in 2016 for U.S. frozen bone-in chicken meat initially led to significant growth in exports. The volume of U.S. exports, however, has fallen over the past four years and the volume of U.S. poultry exports has not reached the TRQ allocation since South Africa increased the in-quota tariff rate on bone-in chicken portions from 37 percent to 62 percent. In 2023, SAITAC recommended the continuation of antidumping duties on U.S. products that exceed the TRQ allocation despite the decreasing volume of U.S. exports. In 2023 and 2024, U.S. export challenges were compounded by South African restrictions on poultry exports from U.S. states due to highly pathogenic avian influenza. The United States continues to work with South Africa to improve access to the South African poultry market.

On August 16, 2024, South Africa finalized a 10 percent *ad valorem* duty on articulated dump trucks with a gross vehicle mass exceeding 50 tons following an investigation and recommendation by the SAITAC. U.S. industry has expressed concern that this tariff would disproportionately impact U.S. exports since the United States and South Africa do not have a free trade agreement, and that it would limit consumer choice and reduce competition in the heavy construction industry to the benefit of a single domestic competitor.

Non-Tariff Barriers

Import Bans and Import Restrictions

The South African Department of Trade, Industry, and Competition prohibits the importation of certain classes and types of goods into South Africa, but in some cases an importer may get an exemption from the prohibition by applying for an import permit from SAITAC. SAITAC also requires import permits on used goods if such goods are also manufactured domestically, significantly limiting importation of used goods. Other categories of controlled imports include waste, scrap, ashes, residues, and goods subject to quality specifications and regulations published by the Government of South Africa.

Customs Barriers and Trade Facilitation

South Africa, as part of the South African Development Community (SADC), has extended its participation in the regional Trade Facilitation Program (TFP) through 2030. This initiative focuses on reducing non-tariff barriers and improving border management, transit systems, and electronic data exchange. Specific areas being targeted include simplified rules of origin and strengthening coordinated border management. The efforts are crucial in enhancing intra-regional trade and improving South Africa's integration into global value chains.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Certification for Electromagnetic Compatibility Goods

The South African Bureau of Standards (SABS) implements a program for the issuance of Certificates of Compliance (CoCs) for Electromagnetic Interference/Compatibility (EMI/EMC) of electrical and electronic goods, including an annual nonrefundable fee paid by manufacturers for each CoC, fees for registering factories, and fees for model name changes. The program also requires manufacturers to have EMI/EMC testing done at SABS-verified third-party labs. If testing is required from an independent lab that is not SABS verified, the manufacturer must request that the lab be verified through SABS at the expense of the lab. Ultimately, the regulation is meant to ensure that all electronic equipment entering South Africa meets the required quality-performance standards. Some stakeholders, however, have raised concerns that the five-fold increase in certification costs, the additional administrative burden, and the lack of resources in South Africa to support the new procedure will extend time to market for quickly evolving and obsolescing information and communications technology products. South Africa still accepts test results from International Laboratory Accreditation Cooperation-certified labs, but SABS also conducts a comprehensive review of the test results to ensure that the product meets South African EMC standards. The protracted review can take up to 18 months to complete, during which time the product may become obsolete.

Sanitary and Phytosanitary Barriers

Meat and Poultry

In 2016, South Africa's Department of Agriculture, Land Reform and Rural Development (DALRRD) recognized that U.S. Department of Agriculture (USDA) veterinarians are not authorized to certify container and seal information as required by DALRRD. Instead, U.S. exporters must meet the DALRRD

requirement to include and certify this information on a letterhead certificate that accompanies export certificates. Since 2016, DALRRD has declined granting new market access for additional meat, poultry, and egg products regulated by USDA, noting the compromise that allowed an exporter to provide container and seal information was a “one-time exception.” The U.S. Government has provided numerous and extensive explanations for U.S. export processes, noting that – although USDA veterinarians examine and certify consignments of USDA Food Safety and Inspection Service-regulated products intended for export – veterinarians are not present at each port to certify industry details such as container and seal information.

Pork

South Africa imposes multiple restrictions on the importation of pork. For example, South Africa imposes freezing requirements for imported pork and pork products that do not align with international standards. Additionally, South Africa requires certification that swine are free of pseudorabies, even though the United States eradicated pseudorabies in commercial pork herds in all 50 states in 2004. South Africa also imposes a restriction on pork cuts allowed for importation due to South Africa’s concerns related to the risk profile of specific cuts for Porcine Reproductive and Respiratory Syndrome, which are more stringent than international standards.

In January 2016, the U.S. Government and DALRRD reached agreement on the content of a USDA export health certificate for the importation of some U.S. pork and pork products into South Africa. South Africa maintains a list of eligible U.S. pork products and approves each one individually. In December 2017, DALRRD began allowing the importation of five additional pork cuts from the United States. An additional two cuts were approved on October 20, 2022. Many cuts, however, remain ineligible for import. U.S. exporters have expressed concerns that South Africa requires the removal of all lymphatic material for the import of approved U.S. pork products to South Africa.

Poultry and Poultry Products

Since October 2023, South Africa has not lifted any additional restrictions on U.S. poultry and poultry product exports. As of December 31, 2024, 19 U.S. states have been declared free from highly pathogenic avian influenza (HPAI), consistent with both World Organization for Animal Health (WOAH) guidelines and South African sanitary and phytosanitary requirements, yet remain ineligible to export to South Africa. The United States has urged South Africa to lift these restrictions in line with the 2015 United States–South Africa Protocol for Poultry Meat and Day-old Chicks. In 2024, U.S. poultry meat exports to South Africa were \$19 million. This was the lowest export value since 2016, and significantly lower than the \$44 million in U.S. poultry meat exports in 2023.

Meat and Poultry

South Africa imposes strict microbiological standards for imported meat and poultry products that are not based on international standards and are not enforced on domestically produced products. In 2016, South Africa signed the Agreement on Poultry Importation from the USA to South Africa, which noted specific procedures that would be followed for sampling. Noncompliant products are required to be returned to the country of origin, undergo heat treatment at a registered South African facility, or are destroyed. U.S. industry has raised concerns that South Africa does not use consistent test methods, which leads to a high level of product rejection.

Blueberries

In 2014, the United States requested market access for U.S. blueberries to South Africa. The USDA Animal and Plant Health Inspection Service (APHIS) and DALRRD continue to work on the remaining steps to open the South African market to imports of U.S. blueberries.

GOVERNMENT PROCUREMENT

Some U.S. companies have reported challenges in competing for government tenders, noting issues with nontransparent cancellation of tenders or closed procedures for direct contract awards.

On July 23, 2024, South Africa's President signed into law the Public Procurement Act 28 of 2024. The Act provides a comprehensive framework for the procurement of goods and services by all state institutions. The key focus of the Act is to address longstanding weaknesses in the procurement process, such as corruption and bureaucratic inefficiencies, and enhance transparency to increase efficiency and transparency of public expenditures.

One of the key provisions of the new law is a stronger focus on economic transformation by prioritizing contracts for domestic small, medium, and micro enterprises (SMMEs) and historically disadvantaged individuals. Additionally, the new framework will implement technology to streamline procurement processes, making them more efficient and reducing administrative burdens. Such digital tools may provide U.S. companies with a clearer and more accessible pathway for bidding on contracts, provided they comply with the new standards and local content requirements. The Act also includes stringent anti-corruption provisions, such as binding codes of conduct for procurement officials and improved processes for disbarring non-compliant suppliers.

The Act's focus on local content and preferential treatment for domestic SMMEs may make it more difficult for U.S. and other foreign companies to compete in the South African market unless they form partnerships with local firms. Some companies also have expressed concern that the preferential procurement provisions lack sufficient detail on their implementation and measures to monitor preferential procurement compliance.

South Africa is neither a Party to the WTO Agreement on Government Procurement (GPA), nor an observer to the WTO Committee on Government Procurement.

INTELLECTUAL PROPERTY PROTECTION

The South African Government has taken some positive steps toward more effective enforcement of intellectual property (IP), including increasing raids of physical markets, appointing additional enforcement officials, improving the training provided to these officials, and increasing public awareness of IP. However, stakeholders report significant concerns.

On February 29, 2024, South Africa's Parliament passed the Copyright Amendment Bill and Performers' Protection Amendment Bill that contain some needed modernizations of the copyright law, such as new performers rights in line with the World Intellectual Property Organization (WIPO) Performances and Phonograms Treaty. These bills, however, also contain provisions that some stakeholders have asserted would weaken the adequacy and effectiveness of copyright and related rights protection in South Africa. Specific concerns include broad and ambiguous exceptions to copyright and provisions regarding technological protection measures that include overly broad exceptions and lack explicit prohibitions on the circumvention of access controls. Stakeholders continued to raise concerns regarding these bills during

the public hearing portion of the 2024 AGOA Annual Eligibility Review process and the annual Special 301 review. In October 2024, South Africa's President referred the bills to the Constitutional Court for a ruling on their constitutionality. The United States continues to monitor these bills and any subsequent implementation.

Under the European Union–South African Development Community (SADC) Economic Partnership Agreement (EPA), South Africa agreed to prohibit the use of certain terms that may be common names by recognizing them as geographical indications in its domestic market. The United States remains highly concerned about countries negotiating product-specific IP outcomes as a condition of market access from the EU and reiterates the importance of each IP right being independently evaluated on its individual merits.

SERVICES BARRIERS

In September 2021, South Africa's President signed the Private Security Industry Regulation Amendment Act, which prescribes that a security business may only be registered to render security services in South Africa if it is at least 51 percent owned and controlled by South African citizens. The Act also permits the police minister to prescribe different percentages of domestic ownership and control required as a prerequisite for the registration of security businesses operating in different market segments. South Africa has full commitments under the WTO General Agreement on Trade in Services with respect to investigation and security services, including with respect to national treatment for the commercial presence of foreign suppliers. The United States continues to engage South Africa on the issue.

INVESTMENT BARRIERS

Other Investment Restrictions

In March 2024, the South African Parliament passed a bill that would explicitly allow expropriation of property, including land, without compensation in some circumstances. As of December 31, 2024, the bill was pending with South Africa's President.

STATE-OWNED ENTERPRISES

State-owned enterprises play a significant role in the South African economy in key sectors such as electricity, transport (air, rail, freight, and pipelines), and telecommunications. Limited competition is allowed in some sectors (e.g., telecommunications and air). The limited nature of the competition in these sectors has often discouraged foreign investment.

SWITZERLAND

TRADE AGREEMENTS

The United States–Switzerland Trade and Investment Cooperation Forum Agreement

The United States and Switzerland signed the Trade and Investment Cooperation Forum Agreement on May 25, 2006. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Switzerland.

IMPORT POLICIES

Tariffs

Switzerland's average Most-Favored-Nation (MFN) applied tariff rate was 5.2 percent in 2023 (latest data available). Switzerland's average MFN applied tariff rate was 28.5 percent for agricultural products and 1.3 percent for non-agricultural products in 2023 (latest data available). Switzerland has bound 99.7 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 7.0 percent. The WTO bound tariff rate is 40.9 percent for agricultural products and 1.9 percent for non-agricultural goods.

In September 2021, the Swiss parliament approved amendments to the Customs Tariff Act that would abolish tariffs on all industrial imports, while leaving agricultural tariffs unchanged. The amendments entered into force on January 1, 2024, removing duties from almost 26 percent of U.S. non-agricultural exports to Switzerland.

Agriculture

U.S. agricultural market access to the Swiss market is limited by high tariffs on certain products, preferential tariff rates for products from other trading partners, and certain government regulations.

Swiss agriculture is highly subsidized and regulated with price controls, production quotas, import restrictions, and tariffs, which all support domestic production. Imports of a broad range of agricultural products, particularly those that compete with Swiss products, are subject to seasonal import duties, quotas, and import licensing. Agricultural products not produced in Switzerland, such as tropical fruit and nuts, tend to have lower tariffs. Support to producers as a share of gross farm receipts remains high at 49 percent on average between 2020 and 2022, more than three times the Organization for Economic Cooperation and Development member state average.

Swiss trade groups and certification associations also impose barriers on certain agricultural imports that compete with Swiss products. In particular, the registration fee for bovine genetics for U.S. bulls remains many times higher than the fee for domestic bulls.

Non-Tariff Barriers

Import Licensing

Switzerland maintains a complex import licensing regime, primarily to facilitate the allocation of tariff-rate quotas (TRQs). TRQ-related non-automatic licenses are required for imports of various animal, dairy, fresh fruit, and vegetable products.

SANITARY AND PHYTOSANITARY BARRIERS

Switzerland aligns many of its sanitary and phytosanitary (SPS) measures with those of the European Union (EU). As outlined in the SPS section of the EU Chapter in this National Trade Estimate Report, specific trade concerns include measures that unnecessarily restrict trade without furthering safety objectives because they are not based on risk, are maintained without sufficient scientific evidence, or are applied beyond the extent necessary that negatively impact market access for U.S. agricultural products.

Switzerland's restrictive SPS measures for agricultural biotechnology products have impeded access to the Swiss market. In particular, Switzerland maintains a moratorium on the planting of biotechnology crops and the marketing of products derived from animal biotechnology. In March 2022, the moratorium was extended, for the fourth time, until 2025. As of December 31, 2024, Switzerland had approved only 1 biotechnology soybean product and 3 biotechnology corn products for food and feed use, and only 11 total enzymes, vitamins, and sugars produced by or derived from modern agricultural biotechnology for food use.

INTELLECTUAL PROPERTY PROTECTION

Switzerland generally maintains high standards of intellectual property (IP) protection and enforcement and makes important contributions to promoting such protection and enforcement internationally. Although Switzerland was removed from the Special 301 Report in 2020 after many years of engagement, U.S. copyright holders continue to have concerns that Switzerland remains a host country for websites offering infringing content and the services that support them, as well as amendments to Switzerland's Copyright Act that came into force on April 1, 2020. These concerns include: continuing uncertainty regarding the application of the amended provisions of the Copyright Act; alleged difficulties in using IP addresses to pursue civil claims of copyright infringement; a "private use" exception that permits personal use of a single copy of a work even if derived from an unauthorized source; and a lack of sufficient "know-your-customer" protocols for data centers and Internet service providers. The United States is carefully monitoring the Swiss Government's implementation and interpretation of the new legislation as well as its effectiveness.

SERVICES BARRIERS

Audiovisual Services

A "unique distributor clause" in Switzerland's Film Act requires a single distributor to have exclusive control over all language versions of a film for all forms of distribution, including theatrical release, DVDs, and video-on-demand. On January 1, 2024, legislation entered into force that requires video-on-demand services to pay 4 percent of their revenues sourced from Switzerland into a fund to support Swiss film production and requires a 30 percent quota of European-produced content in their video-on-demand offerings.

Insurance Services

Managers of foreign-owned insurance company branches must reside in Switzerland.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Data Localization Requirements

Swiss law restricts the transfer of personal data outside of Switzerland, except to which specific countries Switzerland has determined provide adequate data protection under Swiss law or when other specific requirements are met, such as the use of standard contract clauses or binding corporate rules. Restrictions on the flow of data have a significant effect on the conditions for enabling the functionality embedded in smart devices.

On September 8, 2020, the Federal Data Protection and Information Commissioner of Switzerland issued an opinion concluding that the Swiss–U.S. Privacy Shield Framework does not provide an adequate level of protection for data transfers from Switzerland to the United States pursuant to Switzerland’s Federal Act on Data Protection. The Swiss action followed a July 2020 judgment by the Court of Justice of the European Union, which invalidated an earlier European Commission decision on the adequacy of the protection provided by the EU–U.S. Privacy Shield Framework. The Swiss Government had determined in January 2017 that the Swiss–U.S. Privacy Shield Framework provided U.S.-based organizations with a mechanism to comply with Swiss data protection requirements when transferring personal data from Switzerland to the United States.

Executive Order 14086 on Enhancing Safeguards for United States Signals Intelligence Activities (October 7, 2022) implements the U.S. commitments under the EU–U.S. Data Privacy Framework, as well as the analogous Swiss-U.S. Data Privacy Framework (Swiss-U.S. DPF). On the basis of the Swiss-U.S. DPF Principles, Executive Order 14086, 28 CFR part 201, and accompanying letters and materials from the U.S. Government, Switzerland recognized the adequacy of protection provided by the Swiss-U.S. DPF since September 2024. *(For further information on the EU’s General Data Protection Regulation and the EU–U.S. Data Privacy Framework, see the Electronic Commerce / Digital Trade Barriers section of the EU Chapter of this NTE Report.)*

TAIWAN

TRADE AGREEMENTS

The United States and Taiwan have had in place a Trade and Investment Framework Agreement (TIFA), signed by the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the United States (TECRO) since 1994. This Agreement is an important mechanism for discussing a broad range of trade and investment issues between the United States and Taiwan. Meetings of the TIFA Council are typically co-led by a Deputy United States Trade Representative and Taiwan's Deputy Minister of Economic Affairs, under the auspices of AIT and TECRO. The last TIFA Council meeting was held virtually on June 29, 2021.

In addition to engagement under the TIFA, the United States and Taiwan, under the auspices of AIT and TECRO, announced the launch of the United States–Taiwan Initiative on 21st-Century Trade on June 1, 2022. The U.S.–Taiwan Initiative on 21st-Century Trade is intended to develop concrete ways to deepen the economic and trade relationship between the two economies, advance mutual trade priorities based on shared values, and promote innovation and inclusive economic growth for workers and businesses. On June 1, 2023, the two sides signed the first agreement under the U.S.-Taiwan Initiative on 21st-Century Trade. This agreement includes important commitments and outcomes in the areas of customs administration and trade facilitation, good regulatory practices, services domestic regulation, anticorruption, and small and medium-sized enterprises. The agreement entered into force on December 9, 2024. Shortly after the signing of the first agreement under this trade initiative, the two sides began negotiating the remaining trade areas set forth in the negotiating mandate. These negotiations included in-person negotiating rounds and virtual meetings in 2023 and 2024 focused on the areas of agriculture, environment, labor, and dispute settlement.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Taiwan's average Most-Favored-Nation (MFN) applied tariff rate was 6.5 percent in 2023 (latest data available). The average MFN applied tariff rate was 16.6 percent for agricultural products and 4.8 percent for industrial products in 2023 (latest data available). Taiwan has bound 100 percent of its tariff lines at the World Trade Organization (WTO), with an average WTO bound tariff rate of 6.8 percent.

Taiwan maintained tariff-rate quotas (TRQs) on multiple products when it became a WTO Member in January 2002, and then phased several of them out over the years. However, many TRQs on agricultural products remain in place today. Agricultural TRQs cover 16 products, including rice, peanuts, bananas, and pineapples.

Taiwan has recourse to special safeguards (SSGs) for agricultural products covered by TRQs. SSGs, which are permitted under Article 5 of the WTO Agreement on Agriculture, allow Taiwan to impose additional duties when import quantities exceed SSG trigger volumes or import prices fall below SSG trigger prices. Because Taiwan previously did not import many of these products, its SSG trigger volumes are relatively low. As of December 31, 2024, Taiwan had recourse to an SSG for 3 agricultural product categories: red beans, pomelos, and dried orange day lilies.

Taxes

Taiwan taxes rice wine for cooking (*mijiu* labeled for cooking) at a lower rate than that applied to alcoholic products consumed as beverages, even though cooking *mijiu* can be consumed as an alcoholic beverage. The United States and other trading partners continue to express their concerns to the Taiwan authorities that steps should be taken to ensure that imported alcoholic beverages are not taxed at a higher rate than domestically produced alcoholic beverages, including cooking *mijiu* that can be consumed as an alcoholic beverage.

Non-Tariff Barriers

Quantitative Restrictions

In certain years, the Taiwan authorities have rejected bids from U.S. rice exporters under its country-specific quota (CSQ) regime, arguing that high U.S. prices exceeded Taiwan's ceiling price. Taiwan's ceiling price mechanism is not made public, raising concerns that prices are arbitrarily set lower than the levels bid by U.S. exporters, causing the tenders to fail. In 2022, Taiwan filled only 61 percent (39,355 metric tons) of the U.S. CSQ for rice with the remainder (25,279 metric tons) released to global tender, the biggest shortfall since 2014 given fluctuations in rice prices. In 2023 and 2024, Taiwan filled 100 percent of the CSQ for U.S. rice, totaling 64,634 metric tons in each year. Nevertheless, U.S. Government and industry concerns over rice market access persist.

Customs Barriers

Taiwan requires that genetically engineered (GE) and non-GE raw materials, such as corn and soybeans, enter under separate tariff lines. The GE products are evaluated by regulatory authorities in comparison to their non-GE counterparts and have been found to be as safe as their non-GE counterparts. Once approved, they are comingled with the non-GE products in the agricultural supply chain. There is no scientific or technical basis for Taiwan's separate tariff lines for GE and non-GE raw materials.

Inspections

U.S. stakeholders have expressed concern that the Taiwan authorities have conducted inspections targeting establishments in Taiwan handling U.S. pork, including importers, distributors, and food service establishments, without justification. The Taiwan authorities have returned to these establishments frequently, disrupting the establishments' normal business operations and thereby discouraging them from purchasing U.S. pork.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Pork

In January 2021, Taiwan implemented country of origin labeling requirements for a range of pork products, including processed pork products. The relevant measures were notified to the WTO in September 2020. Taiwan's presentation of the labeling requirements to the public as a means to ensure the food safety of U.S. pork products, while simultaneously implementing maximum residue limits (MRLs) for ractopamine in imported pork, inaccurately implied that there is a food safety concern with U.S. pork products, including

pork produced with ractopamine. (For further information, see the Sanitary and Phytosanitary Barriers section.) The United States submitted comments through the USA WTO Technical Barriers to Trade Enquiry Point, raising concerns with these labeling requirements. The United States has raised concerns about the labeling requirements bilaterally with Taiwan, including on the margins of the October 2020 and the February 2021 WTO Committee on Technical Barriers to Trade meetings, the June 2021 TIFA Council meeting, and the 2022 meetings of the TIFA Agriculture Working Group.

Automobiles

Taiwan adopted the United Nations Economic Commission for Europe (UNECE) 1958 Agreement automobile standards when it became a WTO Member in January 2002. In April 2008, Taiwan's Ministry of Transportation and Communications (MOTC) introduced a regulation that allows the importation of a limited number of imported vehicles that are not UNECE-compliant but do comply with U.S. Federal Motor Vehicle Safety Standards (FMVSS), which provides an equivalent level of safety. The MOTC's regulation limited the number of FMVSS-compliant vehicles on the road in Taiwan to 100 units per car model in 2021, and this number was reduced to 75 units per car model in 2023. Some vehicle manufacturers in the United States want to introduce periodically unique new U.S.-made models to stimulate interest in their brands. However, if the vehicles are FMVSS-compliant but not UNECE-compliant, exports of those vehicles cannot exceed the limit set by the MOTC.

Sanitary and Phytosanitary Barriers

Agricultural Biotechnology

Taiwan has banned the use of biotechnology food ingredients and processed food with biotechnology food ingredients in school meals since December 2015. The United States continues to have concerns about the scientific basis for this ban and continues to urge Taiwan to rescind the measure.

Beef and Beef Products

Taiwan banned imports of U.S. beef and beef products following the detection of an animal with bovine spongiform encephalopathy (BSE) in the United States in 2003. In October 2009, the United States and Taiwan reached an agreement on a protocol, signed by AIT and TECRO, to expand market access to fully re-open the Taiwan market to all U.S. beef and beef products for human consumption. However, Taiwan subsequently implemented a number of barriers to U.S. beef and beef products.

On January 1, 2021, Taiwan lifted its ban on imports of U.S. beef and beef products from cattle 30 months of age and older, which had been in place since 2010.

Taiwan has not addressed other longstanding barriers to U.S. beef products. Claiming BSE concerns, Taiwan continues to ban imports of certain U.S. beef products (*e.g.*, ground beef) even though imports of these products are permitted under the 2009 AIT-TECRO beef protocol. Taiwan imposes onerous port-of-entry inspection procedures that are not science-based on certain U.S. beef offal products. The United States continues to urge Taiwan to open its market fully to U.S. beef and beef products based on science, the World Organization for Animal Health (WOAH) guidelines, the United States' negligible risk status for BSE, and the 2009 AIT-TECRO beef protocol.

Animal Byproducts

Taiwan continues to restrict the importation of bovine blood products for animal consumption and bulk shipments of tallow from the United States, citing concerns related to BSE. The WOAH guidelines

recognize these commodities as safe-to-trade, regardless of the BSE risk status of the exporting country. The United States continues to urge Taiwan to open its market to U.S. bovine blood products for animal consumption and bulk shipments of U.S. tallow consistent with the WOH guidelines.

Maximum Residue Limits – Beta-Agonists

Taiwan has not implemented Codex Alimentarius Commission (Codex) MRLs for ractopamine in imported beef products other than imported beef muscle (*e.g.*, offal). On January 1, 2021, Taiwan implemented Codex MRLs for ractopamine in imported pork muscle, fat, and liver. Taiwan also implemented an MRL for ractopamine in imported pork kidney that is more restrictive than the Codex MRL. The United States is concerned that the risk assessment for Taiwan's MRLs for imported pork kidney and imported swine offal other than kidney and liver is not based on a realistic exposure scenario. The United States is also concerned that Taiwan's method of testing for ractopamine residue is not aligned with methods of analysis for ractopamine that are identified as suitable for regulatory use by the Joint Food and Agriculture Organization/World Health Organization Expert Committee on Food Additives (JECFA), and could provide inaccurate results. The United States continues to ask that Taiwan align its methods of testing for ractopamine residue with the methods identified as suitable for regulatory use by JECFA.

Apart from ractopamine, Taiwan has not established MRLs for other beta-agonist compounds or provided a rationale to support this policy. The United States continues to urge Taiwan to implement science-based and risk-based MRLs without undue delay and to accept and approve new applications for MRLs for beta-agonists based on science and risk, and in a timely manner.

Maximum Residue Limits – Agrochemicals

The United States has raised concerns with various aspects of Taiwan's process for establishing MRLs for pesticides, such as the limited opportunities for applicants to provide additional information during the review process. The United States will continue to encourage Taiwan to further improve its MRL regulatory system for pesticides.

Chipping Potatoes

On occasion, Taiwan rejects shipments of U.S. chipping potatoes due to requirements put in place in 2018 that implemented specific restrictions on sprouting for imported potatoes. Entire shipments have been rejected, even though sprouting does not pose a food safety risk, and potatoes with sprouts were previously removed as part of a normal sorting process prior to 2018. The United States, in coordination with U.S. industry, is engaged in bilateral discussion to resolve this issue.

INTELLECTUAL PROPERTY PROTECTION

In May 2019, Taiwan amended Article 87.1.8 and Article 93 of the Copyright Act to combat the use of illicit streaming devices. However, right holders report that online piracy remains widespread. Additionally, right holders continue to report serious challenges with respect to the unauthorized use of textbooks and copyrighted teaching materials, particularly via on-campus digital platforms. In May 2022, Taiwan further amended the Copyright Act to allow criminal prosecution without a complaint from the right holder for online piracy over the threshold of approximately \$32,800 in damages. However, as of December 31, 2024, the Copyright Act amendments had not been implemented.

Draft amendments to other articles of the Copyright Act, which were sent to the Legislative Yuan (LY) in October 2017 for review, remain pending. While the draft amendments represented progress in some areas,

they also contained potentially overly broad exceptions to copyright protection and obstacles to criminal enforcement, in addition to troubling provisions relating to licensing and the role of collective management organizations. These draft amendments, which were resubmitted to the LY by the Executive Yuan in April 2021, were expected to be resubmitted for the new legislative term.

In June 2022, the LY approved amendments to the National Security Act to establish misappropriation of trade secrets involving the national core key technologies as a violation of national security laws, with both criminal and administrative penalties. The amendments provide that obtaining trade secrets of national core key technologies by theft, embezzlement, fraud, duress, unauthorized reproduction, or by other improper methods, or using or disclosing such trade secrets, can be punished by imprisonment for between 5 years and 12 years. The amendments also authorize the possible imposition of fines ranging from approximately \$164,000 to \$3.28 million.

SERVICES BARRIERS

Financial Services

Based on the “Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation,” issued on August 25, 2023, the three major bureaus of the Financial Supervisory Commission (FSC) – the Banking Bureau (BB), the Insurance Bureau (IB), and the Securities and Futures Bureau (SFB) – issued their own respective self-governing rules for members (financial institutions) to follow, also referred to as the “Self-Regulated Guidelines for Financial Institutions’ Outsourcing Operations Using Cloud Services.” The scope of outsourcing for cloud services includes data processing, document safekeeping, drawing negotiable instruments, back-office support for trade financing, and various customer service activities. While the BB provided a 60-day public comment period for interested parties, including cloud service providers and financial institutions, to review and comment on its trade rules, the IB and the SFB did not provide such a public comment period on their draft rules. Financial holding companies may access and use cloud backup services and third location operational sites, but the FSC continues to emphasize the need to conduct stress tests annually. The FSC issued guidelines stating that all financial institutions that use cloud computing services are responsible for including written agreements with service providers, and for compliance with relevant laws and regulations. Institutions using cloud services are obligated to monitor their service providers and ensure that customer data are processed and stored securely, with backup copies maintained in Taiwan.

INVESTMENT BARRIERS

In Taiwan, no foreign investment is allowed in the manufacturing of certain chemical materials and metals, television and radio programming services, electricity transmission and distribution, and postal activities. Foreign ownership in the telecommunications sector is limited to 49 percent direct ownership. For foreign ownership of telecommunications, combined direct and indirect foreign ownership is limited to 60 percent. The foreign ownership ceiling on airline companies, airport ground handling companies, air cargo terminals, and catering companies is 49 percent, with each individual foreign investor subject to an ownership limit of 25 percent. Foreign investment in Taiwan-flagged merchant shipping services is limited to 50 percent for Taiwan shipping companies operating international routes. Taiwan’s Cable Radio and Television Law limits foreign direct investment in domestic cable television services to 20 percent of the operator’s total issued shares. Foreign investment in satellite television broadcasting services is also restricted to no more than 50 percent.

OTHER BARRIERS

Pharmaceuticals

In the pharmaceuticals sector, although the National Health Insurance Administration (NHIA) has tried to improve engagement with concerned stakeholders, U.S. stakeholders continue to highlight the lack of transparency and predictability with respect to the NHIA's pricing approval procedures, including during renegotiations of managed entry agreements and under recent applications of Health Technology Reassessments. The NHIA shortened the pricing approval timelines effective January 2024 to respond to some concerns raised by stakeholders.

Medical Devices

In Taiwan, self-pay options are available for implanted medical devices and a range of other commonly used medical devices that are not approved for NHIA reimbursement. These medical devices must be issued a self-pay code. According to U.S. stakeholders, the NHIA imposes administrative penalties on hospitals that ask patients to self-pay for devices without a self-pay code. The NHIA began assigning temporary self-pay codes in April 2014, but it also requires a review of new therapeutic procedures for which the medical device is used before a temporary self-pay code can be issued. U.S. stakeholders have raised concerns with these procedures, highlighting that increased transparency and faster issuance of temporary self-pay codes are needed to be responsive to patient demand. U.S. stakeholders voiced the need for greater transparency and stronger good regulatory practices around NHIA's policy decision making.

THAILAND

TRADE AGREEMENTS

The United States–Thailand Trade and Investment Framework Agreement

The United States and Thailand signed a Trade and Investment Framework Agreement (TIFA) on October 23, 2002. This Agreement is the primary mechanism for bilateral discussions of trade and investment issues.

IMPORT POLICIES

Tariffs

Thailand's average Most-Favored-Nation (MFN) applied tariff rate was 9.8 percent in 2023 (latest data available). Thailand's average MFN applied tariff rate was 27.0 percent for agricultural products and 7.1 percent for non-agricultural products in 2023 (latest data available). Thailand has bound 76.9 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 26.6 percent.

Non-Tariff Barriers

Import Bans/Restrictions

The 20-year Alternative Energy Development Plan (AEDP) (2018-2037) aims to increase biofuel and renewable energy consumption to 30 percent by 2037. However, Thailand currently restricts the importation of biofuels intended for fuel use, as another primary objective of AEDP is to support domestic farm income. Fuel ethanol imports require approval and issuance of permits by Thailand's Ministry of Energy, which bases its decision on the availability of domestic ethanol supply. Thailand has not approved an import permit for fuel ethanol since 2005.

Import Licensing

Import licenses are required for the importation of many items, including wood, petroleum, industrial machinery, textiles, pharmaceuticals, cosmetics and food, and agricultural items, such as plants, seeds, processed meats, and salt. In some cases, imports of certain items not requiring an import license are subject to additional fees and to certificate of origin requirements. Additionally, a number of products are subject to import controls under miscellaneous laws.

Thailand imposes domestic purchase requirements on imports of several products subject to tariff-rate quotas (TRQs), including coffee, tea, potatoes, corn, soybeans, and soybean meal.

Import Fees

Thailand imposes food safety inspection fees in the form of import permit fees on all shipments of cooked and uncooked meat. The current fee levels were set in October 2016 at 7 baht per kilogram (approximately \$201 per metric ton (MT)) for imported cooked and uncooked meat for food or animal feed and at 3 baht per kilogram (approximately \$86 per MT) for imported cooked and uncooked meat for purposes other than food or animal feed. Under the Thai Animal Epidemics Act of 2015, the Ministry of Agriculture and Cooperatives (MOAC) Department of Livestock Development (DLD) has discretionary authority to increase these import fees up to five-fold.

Customs Barriers and Trade Facilitation

Thailand provides incentives to customs officials who initiate investigations or enforcement actions. Thailand is one of the only major U.S. trading partners that still has such an incentive system. This system has been a cause of concern for many years among Thailand's trading partners due to the potential for corruption and the cost, uncertainty, and lack of transparency associated with the customs penalty and reward system. Thailand amended its Customs Act in 2017 to add a requirement that the target of an investigation have had intent to defraud. The amendment also capped incentives at 20 percent of the sale price of seized goods or of the fine, with a maximum incentive of 5 million baht (approximately \$143,400) and limited post-audit inspections to five years from the date of import or export. Despite these changes to the Customs Act, potential conflicts of interest and personal incentives to initiate investigations or enforcement actions remain.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Dairy Products

In June 2024, Thailand notified to the WTO Committee on Technical Barriers to Trade a new draft regulation regarding marketing restrictions on food for young children. U.S. industry raised concerns that the proposed restrictions do not provide sufficient clarity for companies to understand which products must comply with the new requirements. U.S. industry also raised concerns that the scope of foods covered by this draft regulation may negatively impact U.S. exports of a variety of milk products to Thailand. The United States submitted comments on the draft regulation; however, the regulation was finalized and notified to Thailand's national gazette before the stakeholder comment period closed, raising concerns that Thailand did not take into account stakeholder feedback in the final measure. The regulation is set to enter into force in August 2025.

Sanitary and Phytosanitary Barriers

Animal-Derived Products

Thailand's Department of Livestock Development (DLD) requires audits of production facilities in the exporting country to allow the importation of several animal-derived products, including meat, bone meal, and feather meal. Each audit approval is valid for five years. In addition, DLD imposes five-year facility audit approvals for imported animal feed ingredients derived from or containing poultry products. The United States has recommended that Thailand adopt a systems approach, which would recognize the U.S. inspection system as equivalent to that of Thailand and reduce the expense and burden of the current Thai audit requirement. DLD conducted a fact-finding trip to the United States in late 2019. In January 2024, the U.S. Department of Agriculture (USDA) received a questionnaire to move forward with systems approval for rendered products. In August 2024, USDA submitted the completed questionnaire to DLD. The questionnaire will be reviewed by DLD's committee, and, if approved, a systems audit will take place.

Beef and Beef Products

Thailand restricts imports of beef offal treated with beta-agonists. DLD confirmed that fresh tongue, cheek meat, oxtail, tendon, hanging tender, inside skirt, and outside skirt are categorized as muscle cuts and are thus not affected by this restriction. In September 2018, DLD conducted an audit of the U.S. production system and transmitted its draft findings to the United States in March 2019. In its report, DLD informed

USDA that U.S. beef products for export to Thailand are not to be derived from cattle treated with beta-agonists, including ractopamine, as a condition for access to the Thai market, despite a determination by the Codex Alimentarius Commission (Codex) that the use of ractopamine is safe within its established maximum residue limits (MRLs). The United States continues to press Thailand to align its import requirements with science-based international standards.

Pork

In 2012, after the Codex adopted MRLs for ractopamine in cattle and pig tissues, Thailand indicated it would lift its ban on imports of pork from countries that allow ractopamine use, including the United States. However, Thailand has not yet established MRLs for ractopamine in pork, which effectively prevents the importation of U.S. pork products. In 2019, Thailand and the United States agreed to review potential risk management options for Thailand to develop an MRL for ractopamine. However, due to lack of progress on the issue, effective December 30, 2020, the United States revoked approximately one-sixth of Thailand's duty-free trade preferences under the U.S. Generalized System of Preferences (GSP) program.

Poultry

Since 2014, Thailand has at various times, and most recently in February 2022, imposed a ban on U.S. live poultry and poultry meat imports due to the sporadic presence of highly pathogenic avian influenza (HPAI) in the United States. The ban applies to all such U.S. products, notwithstanding World Organization for Animal Health (WOAH) guidelines that recommend importing countries regionalize their bans, rather than apply them on a country-wide basis. In addition, Thailand has banned U.S. turkey meat imports since late 2014. Thailand sent officials to conduct a production-system audit of U.S. turkey in July 2019 and determined in November 2020 that the United States failed the systems approach audit.

New Processed Meat Products

DLD's regulatory authority was extended in 2018 to include "processed foods made or derived from animal carcass," including sausage, salami, ham, bacon, smoked meat products, pickled meat products, cured meat products, honey and related products, and salty/processed eggs and egg yolks. Other than a single product approved in early 2022, DLD has not approved any new processed meat products. DLD claims that a new import protocol has been under development since 2018, and that market access requests could be submitted either through government-to-government channels, or by individual stakeholders. As of December 31, 2024, DLD had not yet published or notified import requirements and procedures that allow individual U.S. suppliers to access the establishment-by-establishment approval process.

INTELLECTUAL PROPERTY PROTECTION

Thailand remained on the Watch List in the [2024 Special 301 Report](#). Thailand continues to make progress on intellectual property (IP) protection and enforcement. The Department of Intellectual Property and Economic Crime Suppression Division of the police are implementing an action plan to identify physical markets and other areas for high priority enforcement actions against counterfeit and pirated goods. Moreover, right holders continue to use Thailand's 2021 memorandum of understanding with electronic commerce platforms to report online listings of counterfeit products.

While Thailand is making progress in these areas, concerns remain. Counterfeit and pirated goods are still readily available, particularly online. The [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List) included the MBK Mall as a physical market with a large number of counterfeit goods in Bangkok. Other U.S. concerns include online piracy by devices and applications that allow users to stream and download unauthorized content; a process established by the 2022 Copyright Act

amendments that may lead to overly broad exceptions to technological protection measures; unauthorized collective management organizations; the continued use of unlicensed software in the private sector; the backlog in pending pharmaceutical patent applications; lengthy civil IP enforcement proceedings; and low civil damages.

In addition, in December 2023, Thailand published draft amendments to the Geographical Indication Protection Act. The United States continues to urge Thailand to ensure transparency and due process in the protection of geographical indications (GIs) and to ensure that the grant of GI protection does not deprive interested parties of the ability to use common names.

The United States also continues to encourage Thailand to provide an effective system for protecting against the unfair commercial use, as well as unauthorized disclosure, of undisclosed test or other data generated to obtain marketing approval for pharmaceutical and agricultural chemical products. In addition, the United States continues to urge Thailand to engage in a meaningful and transparent manner with all relevant stakeholders before adopting new IP laws, regulations, or guidelines.

SERVICES BARRIERS

Audiovisual Services

The 2008 Motion Picture and Video Act authorizes Thailand's Film Board to establish ratios and quotas limiting the importation of foreign films. However, the Film Board had not exercised this authority as of December 31, 2024, and the act was under review for amendment as of that date. In addition, under the Broadcasting Business Act and Telecommunications Services Act and related laws, a broadcasting licensee, including a services licensee, network licensee, and infrastructure licensee, must be a Thai national, and foreign investment in terrestrial broadcast networks is limited to 25 percent of registered capital and voting rights.

Financial Services

Thailand limits the number of licenses for foreign bank branches and subsidiaries and only sporadically accepts applications for new foreign banking operations. Thailand has not held a round of applications for new licenses for traditional banks since 2013, when Thailand granted new subsidiary licenses to two foreign banks.

Since 2013, Thailand has required in-country processing of all domestic retail electronic payment transactions for debit cards issued in Thailand. As a result, foreign electronic payment service suppliers are precluded from supplying these services across borders and must establish a local presence and build processing facilities in Thailand. When a card is accepted on more than one network, at least one of those networks must be a domestic debit card network. Under the 2016 Thai Bank Chip Card Standard, the Bank of Thailand requires financial institutions that issue debit cards to issue cards with local-standard chips.

In 2024, the Bank of Thailand for the first time licensed three virtual bank start-ups to operate without physical branches. Foreign shareholders will be able to own up to 49 percent stake in the new virtual banks.

Foreign ownership in insurance companies is initially limited to less than 25 percent of outstanding voting shares. Foreign directors may hold no more than 25 percent of the initial board seats. The Thai Government allows a company to increase the foreign equity in the company up to 49 percent and up to half the seats on the board be held by foreign directors, if the company meets conditions relating to improving efficiency and competitiveness. In addition, the Ministry of Finance, with the recommendation of the Office of Insurance Commission, may permit a company to have foreign ownership exceeding 49 percent, or foreign

directors comprising more than one-half of the board, or both, under certain circumstances, such as for the purpose of strengthening the overall stability of the insurance sector.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

According to U.S. stakeholders, including human rights organizations, Thailand's Computer Crime Act raises concerns for online services that host non-IP-protected, user-generated content. The concern is that it provides the government with authority to regulate online content that is so expansive it could restrict legitimate activities. The Act establishes a liability shield for online service providers with respect to non-IP-protected, user-generated content if they comply with requirements to remove certain content within specified timeframes. However, the mandated timeframes vary across content types and are as short as 24 hours for some types of content. Without strict compliance, service providers may be subject to penalties and treated as if they had created the offending content themselves.

INVESTMENT BARRIERS

Thailand's primary and services sectors remain particularly restrictive to foreign investment. The Foreign Business Act (FBA) lays out the framework governing foreign investment in Thailand. Under the FBA, non-Thai nationals and majority foreign-owned entities are prohibited from holding more than 50 percent ownership in many sectors, but U.S. investors registered under the United States–Thailand Treaty of Amity and Economic Relations (AER) are generally exempt from these prohibitions. Nevertheless, the privileges under the AER do not exempt U.S. investments from the prohibitions on majority foreign ownership in the following areas: telecommunications, transportation, fiduciary functions, banking involving depository functions, exploitation of land or other natural resources, and the practice of certain professions reserved for Thai nationals. The United States has encouraged Thailand to extend the exemptions available to U.S. investors registered under the AER to these sectors or to amend the FBA to remove barriers to foreign ownership in these sectors.

Apart from the FBA, sector-specific laws also impose controls on foreign ownership. For example, the Telecommunications Business Act prohibits majority foreign-owned entities from receiving the necessary Type II and Type III licenses to operate telecommunications networks available to the general public.

LABOR

In April 2020, the United States partially suspended Thailand's tariff benefits under the GSP program due to Thailand's failure to take steps to afford workers in Thailand internationally recognized worker rights, particularly with regard to freedom of association. The United States is a relatively important market for Thailand. Were the GSP program to be reauthorized, approximately one-third of Thailand's GSP-eligible trade would be excluded from duty-free treatment. Since the decision, the Government of Thailand has not passed any new laws to address concerns around freedom of association. In March 2024, Thailand approved a resolution to amend the Labor Relations Act. As of December 31, 2024, draft amendments were undergoing domestic review as part of the amendment process. These amendments could potentially address areas where the Labor Relations Act does not align with international labor standards. However, as of December 2024, partial suspension of duty-free treatment under GSP remained in effect.

TUNISIA

TRADE AGREEMENTS

The United States–Tunisia Trade and Investment Framework Agreement

The United States and Tunisia signed a Trade and Investment Framework Agreement (TIFA) on October 2, 2002. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Tunisia.

IMPORT POLICIES

Tariffs

Tunisia's average Most-Favored-Nation (MFN) applied tariff rate was 19.5 percent in 2023 (latest data available). Tunisia's average MFN applied tariff rate was 30.3 percent for agricultural products and 17.8 percent for non-agricultural products in 2023 (latest data available). Tunisia has bound 58 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 57.9 percent.

Goods imported into Tunisia can be subject to tariff rates as high as 200 percent. Agricultural goods are subject to tariffs ranging from zero percent to 50 percent, with most agricultural imports within the 25 percent to 50 percent range. All imported goods subject to tariffs are assessed a customs administrative fee amounting to three percent of the total duties paid on the imported good.

The 2022 Budget Law instituted 20 percent to 50 percent tariff increases on consumer products that have locally-manufactured equivalents. The law also included higher tariffs on some goods with no local equivalent such as bananas (from zero percent to 50 percent), mobile phones (from zero percent to 20 percent), coffee (from 36 percent to 50 percent), and cosmetic products and perfumes (from 30 percent to 43 percent). Tariffs increased to 50 percent on imported apparel and bedding, shoes, and food products such as cheese, honey, chocolate, candies, juices, beer, and wine. Tariffs also increased to 43 percent on construction materials and products with local equivalents such as marble, gypsum, paint, wood, aluminum, ceramics, glassware, and tools.

The 2023 Budget Law, passed on December 22, 2022, eliminated tariffs on milk powder and butter and implemented a 50 percent customs duty reduction on hybrid cars and full duty exemption on electric vehicles.

The 2024 Budget Law, passed on December 12, 2023, reduced tariffs on almonds, and pistachios from 50 percent to 36 percent and implemented a tariff exemption on forage products. The law also increased tariffs on selected dairy products from \$0.50/kg to \$1/kg, on fruit and nut flours to 36 percent, and on solar panel modules from 10 percent to 30 percent.

Non-Tariff Barriers

Import Licensing

Approximately three percent of imported goods, including agricultural products, automobiles, and textiles, require an import license issued by the Tunisian Ministry of Trade and Export Development. Tunisia also imposes certain quotas, especially for imported consumer goods that compete with local products.

Importers of these goods must request an allotment from the Tunisian Government to receive an import license. The licenses are typically valid for 12 months after issuance by the Ministry of Trade and Export Development.

Tunisia maintains a control system on imports of consumer goods, under which the importer must provide several documents in order to acquire an import license. The required documents include an invoice from the exporting factory, a certificate from an official authority in the exporter's country attesting to the factory's legal status, proof of product trademark, and documents affirming the product's safety and quality. The list of controlled products includes fragrances, cosmetics, underwear, shoes, household appliances, vegetables and fruits, spices, flour, chocolate, and non-alcoholic drinks. Imports of raw materials; semi-finished products, and equipment and spare parts for industries, services, and handicrafts are exempted.

Customs Barriers and Trade Facilitation

Customs processing remains cumbersome and, for the most part, reliant on paper documents, despite some steps to digitize certain procedures. Inconsistent application of customs processes within the Tunisian Customs Administration can be a significant obstacle for importers. Although Tunisia expanded its simplified customs clearance process for authorized operators to 152 companies in 2023, risk management and other targets are primarily conducted manually by reviewing large volumes of entry documents in paper form.

Tunisia notified the latest update to its customs valuation legislation to the WTO in May 2011 but has not yet responded to the WTO Checklist of Issues describing how the Customs Valuation Agreement is being implemented.

INTELLECTUAL PROPERTY PROTECTION

Tunisia has made some progress with respect to intellectual property (IP) protection and enforcement. The country acceded to the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty in March 2023. However, the presence of and trade in counterfeit and pirated goods, including illicit Internet Protocol Television content, remain a concern. Stakeholders have expressed concerns about the lack of an effective system for protecting against the unfair commercial use, as well as unauthorized disclosure of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products. The United States will continue to engage with Tunisia to improve IP protection and enforcement in the region.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

The Tunisian dinar is convertible for a limited number of current account transactions. This limits Tunisians' ability to purchase goods and services online or receive payments from foreign digital firms. Individual users of "Digital Technology Charge Cards" (the government-approved method for certain firms and entities to make purchases of foreign goods and services online) are limited to the equivalent of 1,000 dinars (approximately \$322) per individual in annual purchases; 10,000 dinars (approximately \$3,225) per company; and 100,000 dinars (approximately \$32,260) per start-up. Because these relatively low thresholds are fixed in dinars, the actual value of the allotments is impacted by currency fluctuations.

INVESTMENT BARRIERS

Entering Tunisia's domestic market, particularly the services sector, remains difficult for foreign investors. Foreign ownership is limited to 49 percent in most non-industrial sectors, and the process of investing is particularly challenging in areas in which there are no public tenders. Tunisia's 2016 Investment Law,

implemented through Decree No. 417 (2018), establishes a negative list of sectors for which foreign investment requires government authorization, including in natural resources; construction materials; transportation; banking, finance, and insurance; health; education; and telecommunications. U.S. investors in Tunisia frequently raise concerns about delays in obtaining authorizations, lack of transparency regarding rules and fees, unfair competition resulting from preferential treatment of state-owned enterprises, and bureaucratic complications in the process of registering a business. Foreign investors may not directly own agricultural land, though 100 percent foreign ownership of businesses in the agricultural sector is allowed.

SUBSIDIES

Subsidies and Domestic Support

In 2021, Tunisia notified the WTO Committee on Agriculture that in calendar years 2016 through 2019, it provided no export subsidies subject to reduction commitments, with the exception of those offered under Article 9.4 of the Agreement on Agriculture. Tunisia has not submitted domestic support notifications for more recent years since notifying the WTO in 2021. It has also not provided responses to questions raised by the United States and other Members regarding concerns it may be under-notifying its actual levels of its agricultural domestic support and export subsidy outlays.

OTHER BARRIERS

Foreign Exchange

Tunisian law prohibits the export of foreign currency from Tunisia for import payments until the importer's bank receives documents confirming the shipment of merchandise from the country of origin. These requirements remain a source of confusion and difficulty for some U.S. companies.

Centralized Control of Imported Pharmaceuticals

The Tunisian Central Pharmacy maintains a monopoly on pharmaceutical imports. Some U.S. companies complain that they encounter reimbursement and payment delays of up to six months.

TÜRKİYE

TRADE AGREEMENTS

The United States–Türkiye Trade and Investment Framework Agreement

The United States and Türkiye signed a Trade and Investment Framework Agreement on September 29, 1999. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Türkiye.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Türkiye’s average Most-Favored-Nation (MFN) applied tariff rate was 16.2 percent in 2023, up from 9.4 percent in 2019. Türkiye’s average MFN applied tariff rate was 39.8 percent for agricultural products and 12.5 percent for non-agricultural products in 2023. Türkiye has bound 50.5 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 28.9 percent in 2023. Türkiye has taken advantage of substantial differences between its applied and WTO bound tariff rates to increase tariffs significantly across multiple sectors.

In accordance with its customs union agreement with the European Union (EU), Türkiye exempts from tariffs non-agricultural products imported from the EU. Türkiye also exempts from tariffs non-agricultural products imported from the European Free Trade Association (EFTA), trading partners with which Türkiye has a free trade agreement, or countries with which the EU has a free trade agreement. The Government of Türkiye estimates that the average duty rate for all imports from the EU and EFTA countries dropped from approximately 10 percent to zero percent due to the customs union and free trade agreements.

Under the customs union agreement with the EU, Türkiye applies the EU common external tariff (CET) to non-agricultural products imported from third countries, including the United States. Although the Government of Türkiye’s customs legislation is a direct translation of EU legislation, there may be differences in how the legislation is implemented in Türkiye. Further, Türkiye has reserved some exempted categories for sensitive products, with tariffs on these items from non-EU or EFTA trading partners generally much higher than the CET.

Türkiye has imposed additional tariffs on many other products since December 2020, despite its use of the EU CET. In December 2023, Türkiye imposed new tariffs of between 2 percent and 30 percent for more than 4,000 products, while eliminating previous additional tariffs on ships and floating vehicles, books/newspapers, ready-made goods and articles made of cork. Türkiye does not apply these additional tariffs to imports originating in the EU, the EFTA countries, countries with which the EU maintains free trade agreements or other countries with which it has preferential trade agreements.

On May 1, 2023, Türkiye increased tariffs on certain flat steel products to protect Turkish steel producers and encourage local production following Türkiye’s 2023 earthquakes, which disrupted domestic steel production. The tariff on unalloyed hot-rolled sheet increased to 15 percent, and the tariff on alloyed hot-rolled sheet increased to 13 percent. The tariff on plate products increased from 9 percent, 10 percent, and

15 percent, respectively, to between 15 percent to 20 percent. The tariff on unalloyed cold-rolled sheet increased to 17 percent.

In June 2018, Türkiye imposed additional duties on multiple U.S. exports in retaliation for the March 2018 decision of the United States to impose tariffs on imports of Turkish steel and aluminum articles under Section 232 of the Trade Expansion Act of 1962, as amended. The retaliatory duties were levied on select goods of U.S. origin under 22 four- or six-digit Harmonized System headings or subheadings covering 479 products, including an additional 35 percent tariff on passenger cars, a 40 percent tariff on distilled spirits, a 30 percent tariff on skin care and make-up materials, a 20 percent tariff on rice, a 15 percent tariff on wood products, and a 5 percent tariff on certain nuts. Following the August 2018 increase in U.S. duties on steel products from Türkiye, Türkiye increased the level of additional duties on U.S. products. In May 2019, after the United States reduced its duties on steel products from Türkiye to the levels in effect prior to August 2018, Türkiye reduced the level of additional duties on U.S. products to the rates in effect prior to August 2018. In December 2023, a WTO panel found that Türkiye's retaliatory duties breached WTO rules and that the U.S. Section 232 measures were taken pursuant to the essential security exception under the GATT 1994. On January 26, 2024, Türkiye appealed the panel report. As of December 31, 2024, no division of the Appellate Body could be established to hear the appeal. Türkiye's additional duties remain in effect.

Türkiye continues to maintain high tariff rates on many imported food and agricultural products, though the customs union with the EU and various free-trade agreements provide duty-free access for many of Türkiye's largest trading partners. Agricultural trade is subject to tariff quotas, and certain agricultural goods remain protected by steep tariffs. The average tariff on fresh fruit imports is 39.3 percent, with a maximum WTO bound duty of 146 percent. Tariffs on imported chicken and chicken products are 65 percent and 121 percent, respectively. However, since late 2020, Türkiye has eliminated high tariffs on certain agricultural bulk commodities such as wheat, corn, barley and sunflower seed oil in order to address major food inflation and commodity cost increases. In addition, Türkiye's investment incentive programs provide for duty and tax concessions on imports commonly used by exporters. A "suspension list" enables manufacturers to import certain raw materials and intermediary inputs at low or duty-exempt rates.

As with other agricultural products, the government intervenes in the market for sunflower seeds and derivative products to stabilize domestic supplies and prices. These interventions typically come as changes to tariffs or the introduction of tariff quotas. In general, the government aims to keep tariffs high for these products during the harvest season to protect domestic farmers. Depending on the market situation, the government may decide to temporarily relax import duties after the harvest. For example, in August 2024, by way of Presidential Decree, Türkiye announced a lower-duty quota of 1.0 metric tons (MT) for sunflower seed or sunflower oil equivalent between January and April of 2025. The within quota import tariff is 8 percent for sunflower seed and 20 percent for sunflower oil, while the MFN rates are 27 percent and 36 percent, respectively.

In November 2023, Türkiye increased tariffs for walnuts and almonds from all origins to 15 percent. This tariff is in addition to the 10 percent retaliatory tariff on U.S.-originated walnuts and almonds. The "Additional Financial Liability" (AFL), an additional tax paid by the importer, also increased for multiple products on November 1, 2023. The AFL for in-shell walnuts increased to \$416 per MT; for shelled walnuts the AFL increased to \$1,099 per MT; for in-shell almonds the AFL increased to \$580 per MT; and the AFL for shelled almonds increased to \$942 per MT. Türkiye has insisted that the AFL is not a separate charge, but rather part of the MFN applied tariff rate. The United States continues to engage on this issue to understand the administration of the tariff for applicable agricultural products. U.S. stakeholders remain concerned about the complex and non-transparent structure of the AFL and the general level of duty imposed by Türkiye, reducing predictability and impeding trade.

In May 2023, the Turkish Government implemented a 130 percent tariff on grains aimed at protecting the local agricultural industry. The tariff on chickpeas and lentils increased to 19.3 percent in July 2023, and the tariff on milled rice increased to 45 percent in September 2023. These tariffs on staple commodities have helped maintain the high domestic cost of food products and persistently high food inflation in Türkiye.

Taxes

Türkiye imposes a value-added tax (VAT) on most imported and domestic goods and services. The importer is responsible for paying the VAT. Türkiye calculates its VAT on a cost insurance freight (CIF) basis plus duty rate and any other applicable charges levied before the goods clear customs. VAT for most agricultural products ranges from 1 percent to 10 percent but may be as high as 20 percent for certain processed products. Capital goods, some raw materials, imports by government agencies and state-owned enterprises, and products for investments with incentive certificates are exempt from import fees.

Türkiye maintains an excise duty known as a Special Consumption Tax (OTV) that is levied at one stage of the consumption process for luxury products, certain beverages, petroleum products, natural gas, automobiles and other vehicles, as outlined in four lists annexed to Law No. 4760. Together, VAT and the OTV provide over half of the government's revenue. In principle, Türkiye's VAT and OTV make no distinction between imported and domestically produced goods. However, the OTV on alcoholic beverages varies considerably depending on the type of product, and Türkiye taxes all alcohol at an extremely high rate, with regular review for possible increases every six months. Overall, the tax system has the potential to favor the consumption of some products relative to others. Other products impacted by the OTV include petroleum products, motor vehicles, aircraft, vessels, and durable consumer goods.

Türkiye imposed new OTV rates on electric vehicles (EVs) on November 18, 2023. As with the OTV rates for internal combustion vehicles, the tax rate is determined through a combination of the vehicle's engine size and sale price. EVs with engine power below 160 kilowatts (kW) face a 10 percent OTV rate if their sale price is less than 1,450,000 Turkish lira (TL) (approximately \$44,073), and 40 percent if their sale price exceeds 1,450,000 TL. EVs with engine power above 160 kW face a 50 percent OTV rate if their sale price is below 1,350,000 TL (approximately \$41,033) and a 60 percent OTV rate if their sales price exceeds 1,350,000 TL (approximately \$41,033). Türkiye's domestically produced TOGG is one of the few EVs that would qualify for the lowest tax threshold. Published on July 26, 2024, a reduction was introduced for plug-in hybrid cars. The changes in OTV affected vehicles in the 87.03 passenger category. Rates were set as follows: engine volume less than 1600 cm³ and OTV base less than 1,350,000 TL, OTV rate reduced from 45 percent to 30 percent; engine volume less 1600 cm³ and OTV base more than 1,350,000 TL, OTV rate was 60 percent; engine volume 1600-1800 cm³ and OTV base less than 1,350,000 TL, OTV rate reduced from 80 percent to 70 percent.

Non-Tariff Barriers

Imports are subject to certain border measures in Türkiye, including outright prohibitions, licensing, controls, and restrictions. Several categories of goods require import licenses subject to change based on market conditions.

Import Bans

Since 2015, Türkiye has banned the importation of nearly all refurbished parts, which affects products in several sectors, including computer equipment and medical devices. Türkiye also requires that construction equipment, tractors, and agricultural equipment be imported during the year in which individual units are

manufactured, effectively limiting the volume of U.S. exports of such equipment to Türkiye, given the long lead times associated with these types of orders.

Türkiye stopped all exports to and imports from Israel as of May 2, 2024, citing “worsening humanitarian tragedy” in the Palestinian territories. The United States has cautioned U.S. persons to be alert to the receipt of any requests to refrain from trade to or from Israel or to provide certification that the goods are not of Israeli origin or do not contain Israeli-origin components or materials.

On June 6, 2024, owing to oversupplies of wheat stocks inside the country, Türkiye announced a ban on wheat imports under the Inward Processing Regime. It also liberalized exports of milling wheat, durum wheat, and barley. However, in October 2024, the Turkish Government partially lifted the ban on wheat imports, allowing industry to source up to 15 percent of their wheat externally, with the remaining 85 percent required to be sourced from the Turkish Grain Board (TMO). As of December 31, 2024, Türkiye had not provided additional information as to when it intends to lift the ban.

Import Licensing

Türkiye requires import licenses for some agricultural products and for various products that need after-sales service, such as photocopiers, advanced data processing equipment, and diesel generators. U.S. firms complain that a lack of transparency in Türkiye’s import licensing system results in costly delays and demurrage charges.

Customs Barriers and Trade Facilitation

Companies indicate that Turkish documentation requirements for many imports are onerous, inconsistent, and non-transparent, often resulting in delayed shipments at Turkish ports. U.S. exporters of certain industrial goods and food products such as rice, dried beans, pulses, sunflower seeds, wheat, and walnuts, have reported concerns regarding decisions by Turkish customs authorities on the valuation of selected products. Further, the Ministry of Trade periodically requires tracking and monitoring of certain imports, which includes an onerous registration process that must be completed annually, with limited guidance for exporters throughout the registration process. The Ministry of Trade’s mandatory foreign exporter registration process covers 31 agricultural commodities including almonds, walnuts, peanuts, peanut butter, tea, garlic, bananas, fresh peppers, flaxseed, rapeseed, and sunflower seed products.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Food and Feed Products – Traceability Requirements

Türkiye’s 2010 Biosafety Law mandates traceability procedures for movement of animal feed products produced using agricultural biotechnology, including a requirement that each supply-chain entity maintains traceability records for 20 years. Those that have not kept such records have been prosecuted by Turkish authorities for both criminal and civil violations.

Pharmaceuticals – Good Manufacturing Practices Certification

Türkiye’s amended Regulation on the Pricing of Medicinal Products for Human Use, which took effect in March 2010, requires foreign pharmaceutical producers to secure a Good Manufacturing Practices (GMP)

certificate based on a manufacturing plant inspection by Turkish Ministry of Health (MOH) officials before their products will be authorized for sale in Türkiye. The amended measure requires that Turkish authorities themselves perform the inspections, rather than the previous practice of allowing inspections by authorities from the exporting country, such as the U.S. Food and Drug Administration of the U.S. Department of Health and Human Services or the European Medicines Agency, and has led to severe delays in obtaining GMP certifications for many pharmaceutical products. An MOH inspection backlog has prolonged the already lengthy processes for granting final approvals for pharmaceutical products to be sold on the Turkish market.

Since 2016, following repeated U.S. requests to Türkiye that it accelerate approvals, the MOH has authorized parallel (rather than sequential) submissions of GMP inspection and marketing approval applications for MOH-designated “Priority One” (*i.e.*, highly innovative and/or lifesaving) pharmaceutical products imported from U.S. and EU firms. While a positive step, as of December 31, 2024, the MOH had not uniformly applied this approach to all pharmaceutical product applications. As a result, U.S. stakeholders continue to report that GMP inspection-related delays have effectively closed the Turkish market to certain new drugs.

Sanitary and Phytosanitary Barriers

Food Safety Standards

Türkiye’s national food safety laws do not appear to be based on science-based decision-making or aligned with international standards. The Ministry of Agriculture and Forestry closely follows a pesticide reduction schedule similar to the EU.

The importation of live animals, certain animal-sourced products, and certain plant materials requires a Control Certificate that grants permission for import of the product, obtained from the Ministry only after the importer submits an application and provides documents related to the product. The issuance of this certificate is not automatic and has presented challenges for U.S. exports of live cattle, meat products, hides, and animal genetics upon arrival at Turkish ports.

Plant Health

Türkiye rejects imports of U.S. unmilled rice (rough or paddy) if white tip nematodes are detected. Türkiye considers the white tip nematode to be a quarantine pest, even though it is widespread in Türkiye. Due to the risk of nematode detection upon arrival and Türkiye’s rejection of any available post-entry mitigation, southern U.S. rice exporters have stopped shipping to Türkiye. The United States continues to engage Türkiye on this phytosanitary issue at a technical level and points out that the pathogen is widespread in Türkiye.

Animal Health

Although it implements regionalization within its own territory, Türkiye does not provide for regionalization at the county level with the United States. Türkiye has banned all imports of poultry meat and processed poultry from the United States. Additionally, the transit of poultry from HPAI-affected U.S. states is banned unless the product is heat treated. As Türkiye had been an important transit point for U.S. poultry shipped to the broader Middle East region, this policy has inhibited U.S. exports of animals and animal products. The United States has and continues to raise this issue extensively with Türkiye. However, Türkiye refuses to alter their interpretation of regionalization.

Türkiye requires certificates for dairy product imports to be signed by a federally accredited veterinarian. In 2018, U.S. and Turkish officials agreed that Türkiye would accept certificates for a limited number of dairy products signed by inspectors from the U.S. Department of Agriculture (USDA) Agricultural Marketing Service. However, U.S. exports of other dairy products not covered by these certificates are not allowed by Türkiye, despite commercial demand.

In April 2024, the Government of Türkiye imposed a ban on the importation of live cattle from the United States following confirmation of the H5N1 virus in some U.S. cattle herds. The USDA has been forthcoming and open about the spread of the virus, epidemiology, and successful mitigation measures the United States has put in place. Nevertheless, Türkiye maintains its ban, seemingly without a scientific basis or risk-based rationale. The U.S. Government continues to engage with the Ministry of Agriculture and Forestry on this issue and has offered several options to ensure exports to Türkiye are free from the health-related challenges. However, without any written scientific justification for their position, the Ministry continues to seek unnecessary and unreasonable assurances from USDA, contrary to the recommendations of the World Organization for Animal Health (WOAH).

Agricultural Biotechnology

Although Türkiye notified the 2010 Biosafety Law to the WTO Committee on Sanitary and Phytosanitary Measures prior to its enactment, the Turkish Government has failed to notify any subsequent revisions to the law, its implementing regulations, or its various regulatory controls. U.S. agricultural biotechnology stakeholders have expressed reluctance to seek regulatory approvals in Türkiye for individual products due to onerous liability requirements imposed by the Biosafety Law, unclear assessment procedures required to receive approval, and concerns regarding the protection of applicants' confidential information.

The agricultural biotechnology oversight authority within the Turkish Government rests with the Ministry of Agriculture and Forestry, which assesses agricultural biotechnology products through both a Scientific Risk Assessment Committee and a Socio-Economic Assessment Committee under the Ministry's Agricultural Research and Policies Directorate General. The Ministry has approved no agricultural biotechnology products for human consumption and rejected several applications for animal feed use without providing scientific justification. As of December 31, 2024, only 36 products produced using agricultural biotechnology can be imported into Türkiye for animal feed use (15 soybean products and 21 corn products). Türkiye has maintained the total number of approved products at 36, without providing justification for that limit. Thirteen additional applications are outstanding, five of which have been pending since 2015, despite the law's official 270-day review timeline. Several Turkish agricultural associations that previously submitted applications for the approval of these products have declined to sponsor their renewals, citing the challenging and non-science-based review system.

Türkiye's delays in completing science-based reviews are especially burdensome considering its impractical low-level presence policy (LLP). The current zero-tolerance threshold is difficult to meet for food and feed imports. In general, if a shipment tests positive for any amount of unapproved agricultural biotechnology product or ingredient, the cargo is rejected and cannot be used for feed or food. However, there are two exceptions to this prohibition: 1) unapproved products pending biotechnology approval in Türkiye for feed use are allowed to be present in shipments up to a 0.1 percent threshold, and 2) shipments containing up to 0.9 percent presence of approved (but not declared) agricultural biotechnology products intended for feed use. Discriminatory testing requirements for U.S. food and feed imports can lead to entire shipments being rejected when trace amounts of unrelated products such as genetically-engineered soy or corn are found.

GOVERNMENT PROCUREMENT

Turkish Government contracting officials are authorized to issue tender documents that restrict foreign companies' participation and that provide price advantages of up to 15 percent (particularly for high technology products) to domestic suppliers. Although the Turkish procurement law requires government contracting agencies to consider best value pricing, the lowest-cost bids are selected in most tenders. In a scenario involving the procurement of highly technical goods or services, this may prevent consideration of bids from firms with the highest capacity and best abilities, including U.S. firms, (*i.e.*, those that provide a greater number of services, lower life cycle costs, and higher quality products).

Other features of the Turkish procurement system severely limit the ability of U.S. companies to participate in government tenders. Turkish procurement law mandates the use of model contracts, which make it difficult for U.S. companies to formulate proposals that are fully responsive to procuring agencies' requirements. In addition, foreign companies, including those with Turkish subsidiaries, have reported difficulties complying with onerous documentation requirements imposed by contracting agencies. Türkiye frequently issues regulations that exempt urgent projects and procurements from requirements of the Turkish Public Tender Law, allowing entities to conduct tenders or negotiations on an invitational basis. While these exempted tenders technically are open to foreign and domestic firms, in practice few of these have been awarded to foreign firms unless they were offering goods or services that were urgently needed and not available in Türkiye.

In the power generation sector, the Ministry of Energy and Natural Resources provides incentives to investors if they source most of their equipment from manufacturers located in Türkiye. The Ministry also conducts license tenders for procurements of power generation, including solar and wind power on the condition that the majority of the equipment and parts are newly produced in specialized manufacturing zones in Türkiye.

Türkiye's Industrial Cooperation Program gives ministries the authority to impose commercial offset requirements in procurement contracts. A foreign company awarded a government procurement contract may be required to manufacture a share of the products or services with a local partner, and transfer technology in order to win a government contract. The Turkish government has imposed offsets in the defense, transportation, telecommunications, pharmaceuticals, aerospace, and energy sectors, among others. Turkish defense procurement policy mandates the inclusion of various commercial offset requirements in contracts that encourage domestic sourcing commitments by suppliers, including by requiring foreign suppliers to partner with local companies and transfer technology.

Since July 2019, the Turkish Government has prohibited public institutions and organizations from using cloud-computing services.

Türkiye is not a Party to the WTO Agreement on Government Procurement (GPA), but has been an observer to the WTO Committee on Government Procurement since June 1996.

INTELLECTUAL PROPERTY PROTECTION

Türkiye remained on the Watch List in the [2024 Special 301 Report](#) due to deficiencies in its intellectual property (IP) regime that represent barriers to U.S. exports and investment.

U.S. industry sources report significant problems involving the export from and trans-shipment through Türkiye of counterfeit goods, as well as software piracy, piracy of printed works, and online piracy. These sources report that the enforcement process is hampered by poor coordination between judges, prosecutors,

and police. IP enforcement additionally suffers from a lack of prioritization among government bodies to combat IP crimes. The Tahtakale market in Istanbul is listed in the [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List) as a major transit hub for counterfeit goods coming from China into European and Middle Eastern markets.

Türkiye's 2016 Industrial Property Law consolidated in a single law the provisions for protecting trademarks, designs, utility models, patents and geographical indications, and improved the legal framework for technology commercialization and transfer. The United States encourages Türkiye to fully implement its obligations under the World Intellectual Property Organization (WIPO) Performances and Phonograms Treaty (WPPT) and WIPO Copyright Treaty (WCT), collectively known as the WIPO Internet Treaties, and develop effective mechanisms to address online piracy.

U.S. pharmaceutical companies continue to raise concerns that Türkiye does not adequately protect against the unfair commercial use as well as unauthorized disclosure of test or other data submitted to obtain marketing approval for pharmaceutical products. They have also reported concerns about the timing of resolving pharmaceutical patent disputes.

SERVICES BARRIERS

Audiovisual Services

Türkiye's 2019 Regulation on the Transmission of Radio, Television, and On-Demand Services on the Internet requires providers of Internet streaming services to establish a commercial presence in Türkiye and obtain a broadcasting license. The law also imposes substantial requirements for providers of streaming services to censor content and provide the government with data about their subscribers on request.

Financial Services

Türkiye's Law on Payments and Security Settlement Systems, Payment Services, and Electronic Money Institutions (E-Payment Law) requires information systems used by financial firms for keeping documents and records to be physically located within Türkiye. Many U.S. firms, which utilize a globally distributed network architecture, view these requirements as unworkable. The implementation of the E-Payment Law has led one prominent U.S. firm to suspend its operations in Türkiye.

Professional Services

Turkish citizenship is required to practice as an accountant, a certified public accountant, or a lawyer representing clients in Turkish courts.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Internet Services

The 2022 Law Amending Press Law and Certain Laws criminalizes publishing what the Turkish Government considers disinformation on social media and raises potential privacy concerns and risks for third-party social media companies. The law covers information and communication technology firms, with fines that could reach up to 3 percent of global revenue and throttling of bandwidth by up to 95 percent. As of December 2024, implementing regulations were still being drafted.

The Law on the Regulation of Broadcasts via the Internet and Prevention of Crimes Committed through Such Broadcasts gives the Ministry of Transport and Infrastructure Information and Communication Technologies Authority (BTK) the responsibility to enforce bans on Internet content deemed offensive by the Turkish courts. BTK has used its authority to block access to various Internet-based service suppliers, including U.S. suppliers. Most noticeably, Türkiye restricted access to a social media service provider in the days following the February 2023 earthquakes and pursued expanded limitations on the use and operation of social media services. As of July 2020, Law No. 5651 also requires social media platforms with more than one million daily visits from users in Türkiye to appoint a representative physically located within Türkiye and to rapidly respond to content removal requests. Social media platforms are also required to store user data in Türkiye. BTK issued a new decision in April 2023 updating these requirements, including affirming the requirements for local presence and the storage of user data in Türkiye. Penalties for noncompliance include escalating fines, blocking of advertisement, and restricting bandwidth.

Electronic Commerce Tax Regulations

Türkiye imposes additional taxes on certain online sales of imported goods. The “Decision on Amending Certain Provisions of the Customs Law No. 4458,” effective August 21, 2024, significantly increased taxes on online purchases of many items from abroad in an effort to protect local industries, reduce imports, and improve the current account deficit. This Decision reduced the tax-free threshold for imported electronic commerce purchases from 150 euros (approximately \$167) to 30 euros (approximately \$33) and increased taxes to 30 percent for EU imports and 60 percent for non-EU imports, with an additional 20 percent on luxury and durable goods such as fur, jewelry, mobile phones, and household appliances.

International investors and electronic commerce businesses have raised concerns about the lack of prior consultation, a short transition period, and the logistical cost of compliance of these sharp increases in electronic commerce tax rates. As a result of the new taxes, one U.S.-based company suspended online sales in Türkiye, while other U.S. companies have raised concerns about the potential rise in counterfeit goods and impact on their brands’ reputation. Loopholes and institutional weaknesses may hinder the effectiveness of these measures, potentially spurring an unregulated grey market. The additional taxes are expected to fuel inflation, increase counterfeit goods, and potentially reduce the presence of international delivery companies in Türkiye.

Digital Services Taxation

Since March 1, 2020, Türkiye has imposed a digital services tax (DST) of 7.5 percent on revenue generated from a broad range of digital services offered in Türkiye, including digital advertising, digital content sales, and digital platform services. The DST applies to companies that, during the previous calendar year, generated revenues from covered digital services of at least TRY 20 million (approximately \$610,000) in Türkiye and at least €750 million (approximately \$833,000,000) globally. Türkiye’s President has the unilateral authority to adjust the tax rate (between 1 percent and up to 15 percent) and the revenue thresholds.

The United States and Türkiye are among the 137 jurisdictions to have joined the October 8, 2021, OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting [Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy](#), which called for all Parties to commit not to introduce DSTs in the future. In November 2021, under the prior Administration, the United States joined Türkiye in a [joint statement](#) on a transitional approach to Türkiye’s DST during the interim period prior to implementation of Pillar 1 of the Two-Pillar Solution. According to the statement, DST liability that accrued to Türkiye during the transitional period prior to implementation of Pillar 1 would be creditable in defined circumstances against future corporate income tax liability due under Pillar 1. In

return, the Section 301 trade action initiated in 2020 was not continued. The arrangement set out in the November joint statement was extended to June 30, 2024.

On January 20, 2025, the United States issued a White House Memorandum titled, “The Organization for Economic Co-Operation and Development (OECD) Global Tax Deal (Global Tax Deal).” The memorandum stated:

The Secretary of the Treasury and the Permanent Representative of the United States to the OECD shall notify the OECD that any commitments made by the prior administration on behalf of the United States with respect to the Global Tax Deal have no force or effect within the United States absent an act by the Congress adopting the relevant provisions of the Global Tax Deal.

On January 22, 2025, appropriate representatives of the Treasury Department provided notice to the Director of the Centre of Tax Policy and Administration at the OECD. On January 24, 2025, the U.S. Permanent Delegation to the OECD provided similar notice to the Secretary General of the OECD.

INVESTMENT BARRIERS

While Türkiye is generally open to foreign investment, Turkish law limits foreign ownership of broadcasting companies to no greater than 50 percent, and a foreign investor may not own equity in more than two broadcasting companies. Foreign ownership of real estate is limited to 10 percent of the surface area of a district that is open to private ownership, and a foreign investor may not own more than 30 hectares (or 60 hectares with Presidential authorization).

Delayed or Rejected Mining Licenses

U.S. investors have experienced delays and resistance in renewing or obtaining new mining licenses. Additionally, local governors have stopped activities of U.S. investors even though a mining permit has been obtained.

SUBSIDIES

Agricultural Subsidies and Domestic Support

Although Türkiye has large agricultural support programs in place, including price supports and input subsidies, Türkiye is significantly overdue on submitting its required WTO notifications regarding agricultural domestic support and export subsidies. Türkiye’s most recent domestic support notifications were submitted in 2020, covering the years 2014 to 2016, and raised concerns that Türkiye had exceeded its WTO commitments regarding trade-distorting domestic support in those years. Türkiye’s most recent export subsidy notifications were submitted in 2019, covering the calendar years 2010 to 2013. Türkiye has yet to notify changes in export subsidy measures pursuant to the 2015 Nairobi Ministerial Decision on Export Competition (Nairobi Decision). The United States and several other WTO Members regularly raise concerns at the WTO about the accuracy, completeness, and timeliness of Türkiye’s domestic support notifications, as well as the amount of Türkiye’s domestic support.

U.S. exporters have expressed concerns about Türkiye’s subsidies, inward processing program for wheat, and Türkiye’s reimbursement of freight costs for certain exports. U.S. exporters report that they do not believe a monitoring system exists to ensure that the quality and characteristics of imported wheat are the same as the domestic wheat used in exported flour and wheat products. Such monitoring is an important

component of an inward processing regime as described by the WTO Agreement on Subsidies and Countervailing Measures.

OTHER BARRIERS

Export Restrictions and Prohibitions

Türkiye bans exports of sunflower seed oil. Türkiye never notified this export ban to the WTO, despite requests from the United States and other WTO Members to do so.

Türkiye imposed a ban on olive oil exports, initially for three months starting on August 1, 2023, and extended the decision indefinitely on October 18, 2023. On June 1, 2024, Türkiye's Ministry of Commerce relaxed the ban on the export of bulk and barreled olive oil, allowing up to 50,000 tons of bulk and barreled olive oil to be exported until November 1, 2024.

On May 25, 2021, the Turkish Ministry of Trade published a communiqué requiring the registration of cotton exports. The registration requirement is intended to discourage organic cotton exports and promote the domestic use of organic cotton to make higher-value textile and apparel products for eventual export.

Restrictions on Reimbursement and Official Exchange Rate for Government Purchases

Since 2017, the Turkish Government has instituted a reimbursement regime for pharmaceutical products that substantially decreased reimbursements. U.S. pharmaceutical companies have raised concerns that they are unable to market next-generation drugs in Türkiye due to the government's maintenance of an artificially low official exchange rate for reimbursement for pharmaceutical products.

The Turkish Government maintains two lists totaling approximately 200 pharmaceuticals for which government reimbursement is denied unless the products are manufactured in Türkiye. Since government reimbursement covers most pharmaceutical products sold in Türkiye, U.S. firms have raised concerns that denying reimbursement has undermined their ability to market their products in Türkiye because they are not manufactured locally. The Turkish Government has previewed plans to "delist" three tranches of products, but has not specified a timeline nor taken any action to implement these further measures.

Delayed Reimbursement for Medical Devices and Pharmaceuticals

The lack of prompt payments by Turkish hospitals (ostensibly due to budgetary restraints) remains a concern for U.S. pharmaceutical and medical device companies.

The Turkish Government has tasked the State Procurement Institute (DMO) with the authority to open tenders to procure pharmaceuticals, as well as medical and laboratory disposables, for public hospitals. According to U.S. stakeholders, DMO has honored its commitment to make payments within 90 days, and delayed payments are no longer an issue with public hospitals. However, some stakeholders have reported that, as of December 31, 2024, university hospitals that make direct purchases from medical device manufacturers still had payments outstanding for over 12 months.

UKRAINE

NOTE: *This chapter of the National Trade Estimate Report inventories primarily the significant trade and investment barriers in Ukraine before the conflict began in February 2022.*

TRADE AGREEMENTS

The United States–Ukraine Trade and Investment Cooperation Agreement

The United States and Ukraine signed a Trade and Investment Cooperation Agreement (TICA) on April 1, 2008. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Ukraine.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Ukraine’s average Most-Favored-Nation (MFN) applied tariff rate was 4.3 percent in 2023 (latest data available). Ukraine’s average MFN applied tariff rate was 9.1 percent for agricultural products and 3.6 percent for non-agricultural products in 2023 (latest data available). Ukraine has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 5.8 percent.

Taxes

The standard value-added tax (VAT) rate in Ukraine is 20 percent, which applies to all transactions subject to VAT except specific transactions subject to a 14 percent VAT rate (applies to import and supply of certain agriculture products including soybeans, corn, and sunflower seeds), a 7 percent VAT rate (applies to supply and import of qualifying medicines and specific medical goods), and a zero percent VAT rate (applies to export and re-export of goods). Ukraine employs an automated VAT refund system, but the efficacy of that system has been inconsistent, and U.S. companies continue to report that the State Tax Service delays or rejects VAT refunds. In addition, the State Tax Service continues to request original documents confirming business transactions within very short deadlines. Companies also report requests for documentation that go beyond what is required by law. The United States has raised concerns about such delays and requests.

Non-Tariff Barriers

Customs Barriers and Trade Facilitation

While Ukraine’s MFN applied tariff rates are relatively low, U.S. businesses have raised concerns that Ukraine’s State Customs Service (SCS) assigns higher and seemingly inconsistent customs values to imports than are reflected in the transaction price as provided in the import documentation. Such practices may raise concerns under the WTO Agreement on Customs Valuation and appear contrary to the Ukrainian law that implements the agreement for determining customs value. Furthermore, it appears that Ukraine’s SCS uses its internal valuation database as a mechanism to establish the minimum values of the goods, rather than for risk analysis purposes only. Specifically, if there is a slight decrease in the invoice value (as compared to historical prices), or if the declared value is lower than the “risk indicators” (which are not

publicly available), these circumstances may result in an increased customs value determination for the goods. U.S. businesses also report that the SCS has been sending goods for laboratory tests or additional risk audits more frequently, delaying shipments and raising costs. The United States has frequently raised concerns about these practices with the SCS. On October 17, 2024, Ukraine enacted amendments to the customs code (Law 3977-IX) that will strengthen integrity measures with SCS. These amendments have the potential to lower operational costs, accelerate processing, and make customs procedures more predictable for companies transporting products into and out of Ukraine.

Other Market Access Barriers

Importers of U.S. products have complained about inspection officials at ports of entry taking larger numbers of samples than needed for laboratory testing due to a faulty and arbitrary definition of “uniform allotment” (*i.e.*, batches identified for sampling). Sampling and testing, particularly of expensive products, such as fish roe, fish, or chilled meat, and the associated testing fees, poses a significant burden on importers. In 2018, Ukraine adopted legislation establishing the main principles for a governmental food and feed control system, including rules governing sampling at the border. Nevertheless, stakeholders claim that testing pursuant to the 2018 legislation continues to be excessive. The United States has asked that Ukraine ensure these measures are consistent with Ukraine’s WTO obligations.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY MEASURES

Technical Barriers to Trade

Conformity Assessment Procedures – European Union Technical Regulations and Regimes

As part of its Association Agreement with the European Union (EU), including the provisions to establish a Deep and Comprehensive Free Trade Area since being granted candidate status for EU membership in June 2022 and opening EU accession negotiations on December 14, 2023, Ukraine is moving to approximate EU technical regulations and the EU’s regulatory regime (including the EU’s conformity assessment procedures). Some U.S. industry stakeholders have expressed concerns that this process may lead Ukraine to adopt measures that raise technical barriers to trade. Market access to Ukraine may be impeded if Ukraine follows EU practice by refusing to accept standards other than unique EU regional standards as a basis for technical regulations. (*For further information of the EU’s approach to standardization and conformity assessment procedures, see the Technical Barriers to Trade section of the EU Chapter of this NTE Report.*) The United States continues to press Ukraine to ensure that, as it approximates its legislation to that of the EU, it does so in a manner that is consistent with its WTO obligations. Further, the U.S. Government has urged Ukraine to make full use of the WTO notification procedure to ensure that new regulations and conformity assessment practices are transparent and comply with Ukraine’s international obligations. Separately, Ukraine has launched a pilot program to create an electronic platform to publicize draft regulatory measures, accept public comments, and provide its responses to those comments.

Sanitary and Phytosanitary Barriers

Import Certification

To enforce import requirements for food products of animal origin, Ukraine maintains requirements for 72 generic veterinary certificates for the relevant products. The certificates capture product-specific requirements that do not appear to be science-based and require the exporting country’s regulators to certify

that exports are in compliance with “Ukrainian regulatory provisions” rather than in compliance with the attestations contained within the certificate itself. While the Government of Ukraine accepts previously-negotiated U.S.–Ukrainian export certificates for products of animal origin, these certificates can no longer be amended, new certificates cannot be negotiated, and generic certificates cannot be modified. The United States continues to work with Ukraine to ensure that market access for U.S. agricultural exports is not disrupted as Ukraine continues to implement its import regulations.

Approved Exporters List

Under Article 61 of the Law on State Control over Enforcement of Regulations on Food and Feed Safety, Animal Biproducts, Animal Health and Wellbeing, U.S. establishments (e.g., production facilities and farms) can export animal-based products (including composite products, animal feed, and seafood) to Ukraine only if they are on Ukraine’s Approved Exporters List or on the EU’s list of approved third country establishments. Only those facilities that exported to Ukraine historically (between 2013 and 2018) or audited and inspected foreign establishments can be included on Ukraine’s Approved Exporters List. Live animals and genetic materials can be exported only from audited facilities or facilities with a confirmed export history. Therefore, live animals and genetic materials are regulated differently in that the exception for EU-approved facilities does not apply. Ukraine has cited the need to harmonize its legislation with that of the EU, as well as its preference to maintain its trading relationship with historical exporters, as the rationale for these requirements. However, Ukraine’s procedure for adding “historical exporters” is lengthy and problematic, requiring establishments to collect and confirm data on historical exports between 2013 and 2018. In order to add a new-to-market establishment to Ukraine’s list, that establishment must undergo an audit. Although basic principles of foreign individual audits are published, specific rules and requirements for the procedure are unclear, and the process itself is cost-prohibitive for small and medium-sized producers. As a result, some U.S. establishments will be unable to export to Ukraine until they complete an expensive and time-consuming EU approval process, or the United States undergoes a country-wide food safety systems audit. The United States has engaged Ukraine on this topic in various meetings and continues to work with Ukraine to resolve this issue.

Food Safety Standards

Ukraine has adopted food safety requirements that mimic EU standards as it deepens its economic relationship with the EU. These measures were notified to the WTO between 2018 and 2024. U.S. exporters (primarily exporters of products of animal origin) are concerned that Ukraine’s adoption of EU standards as its national standards, particularly those that are not in line with international standards or based on a risk assessment, could make it significantly more difficult to export certain products to Ukraine. Many of these Ukrainian requirements are related to agrochemicals, veterinary drugs, and hygiene requirements, among others. The United States is working with Ukraine to introduce science-based international practices into Ukraine’s rule-making process. In addition, the United States has encouraged Ukraine to make full use of the WTO sanitary and phytosanitary (SPS) notification procedure to ensure that Ukraine’s process for adopting new SPS measures is transparent and complies with Ukraine’s international obligations.

U.S. industry has raised concerns about Ukraine’s biotechnology regime, largely due to the fact that Ukraine’s regulatory system for biotechnology products is still in development. Ukraine has not yet implemented a holistic regulatory regime for registration of biotechnology products either for cultivation or trade of food and feed. Without a fully developed regulatory system, U.S. biotechnology and biotechnology-derived products that could benefit Ukrainian farmers, such as U.S. seeds and genetics, cannot be imported into Ukraine. By law, cultivation of biotechnology products is limited to only registered agricultural biotechnology products. As of December 31, 2024, Ukraine’s official registry of biotechnology products did not contain any entries. As a result, no biotechnology product can be legally cultivated in

Ukraine or imported into Ukraine from the United States or any other third country. Ukraine committed to moving towards regulating its biotechnology sector in line with EU norms by adopting on August 22, 2023 the Law of Ukraine #3339-IX On State Regulation of Genetic Engineering Activities and State Control of the Circulation of Genetically Modified Organisms and Genetically Modified Products to Ensure Food Safety (GE Law). The law will enter into force in September 2026. The law contains provisions noting that cultivation of genetically engineered (GE) rapeseed and GE sugar beet will be postponed until after five years of the GE Law's entry into force, while totally banning GE corn. The steps related to GE product registration and implementation of GE trade are unclear at this stage, as new specific regulations and guidelines were still being drafted by relevant Ukrainian Ministries as of December 31, 2024.

The United States continues to work with the Government of Ukraine to facilitate the development and implementation of an effective, science and risk-based regulatory framework for products of biotechnology.

GOVERNMENT PROCUREMENT

On July 14, 2022, amendments to Ukraine's law on public procurement entered into force, establishing local content requirements in public procurement of urban transport, utility equipment, railway transport, aerospace products, and energy engineering products by giving preference to domestic producers in government tenders. Following consultations with the U.S. Government, and consistent with Ukraine's WTO commitments, the law exempts from the preference provisions those procurements subject to the WTO Agreement on Government Procurement (GPA). U.S. stakeholders remain concerned that the opaque mechanism for determining compliance with the preference provisions could increase the risk of corruption in the procurement process.

Ukraine is a Party to the WTO Agreement on Government Procurement (GPA).

INTELLECTUAL PROPERTY PROTECTION

The 2022, 2023, and 2024 Special 301 reviews of Ukraine were suspended due to the conflict in Ukraine. In 2021, the United States engaged with Ukraine on concerns regarding Ukraine's intellectual property (IP) regime, including in the areas of: (1) the administration of the system for collective management organizations that are responsible for collecting and distributing copyright royalties to right holders; (2) the use of unlicensed software by government agencies; and (3) the implementation of effective means to combat widespread online copyright infringement. The United States continues to monitor Ukraine's IP regime and welcomes opportunities to engage with Ukraine on the protection and enforcement of IP.

INVESTMENT BARRIERS

While Ukraine generally affords foreign investors the same treatment as domestic investors, foreign investors are prohibited from owning agricultural land, producing bioethanol, engaging in certain publishing activities, and investing in certain energy sector assets, such as gas transmission systems, electricity grids, and various plants and factories.

On May 3, 2024, the National Bank of Ukraine implemented measures liberalizing the strict capital controls initially imposed at the outset of the conflict in Ukraine in February 2022. The new measures lift currency restrictions on imports of goods and services, permit cross-border payments under lease agreements, allow for businesses to repatriate new dividends, and relax restrictions on repayments of cross-border loans and on transfers of foreign currency from local branches to foreign parent companies.

OTHER BARRIERS

Bribery and Corruption

The United States will continue to work with Ukraine to establish strong anticorruption institutions, drive law enforcement reform, and create a business environment that is transparent and firmly grounded in the rule of law. Although Ukraine's judiciary has been regarded as one of the country's least trusted institutions, Ukraine has undertaken important steps to reform its judiciary, including the reestablishment of key judicial institutions for vetting, evaluating, and disciplining judges.

UNITED KINGDOM

TRADE AGREEMENTS

Following a June 2016 referendum, the United Kingdom (UK) formally left the European Union (EU) on January 31, 2020 (“Brexit”). To avoid any break in existing legal coverage and mechanisms, the UK Government enacted the European Union (Withdrawal) Act 2018 to incorporate EU laws and regulations into domestic UK law, replacing references to EU entities and laws and regulations with corresponding UK references. As a result, beginning January 1, 2021, the UK and EU had virtually identical legal and regulatory structures, although the UK is now able to change its laws and regulations independently of the EU.

The UK and EU negotiated a new trade agreement, the United Kingdom–European Union Trade and Cooperation Agreement (TCA), which, as of January 1, 2021 continued tariff-free and quota-free access to each other’s markets without binding each other’s regulatory regimes. Under the TCA, if domestic regulatory systems diverge in ways that significantly affect trade, either side may seek to rebalance the agreement by modifying market access commitments.

On December 31, 2020, the United States and the UK completed the transition of five existing United States–European Union agreements to new United States–United Kingdom agreements. These five agreements covered areas of bilateral trade in wine, distilled spirits, marine equipment, telecommunication equipment, electromagnetic capability, pharmaceutical products (good manufacturing practices), and covered insurance and reinsurance. Additional information about the agreements can be found on the Office of the United States Trade Representative’s [website](#). The United States and the UK have also ensured the transition of mechanisms supporting trade in organic products and recognition of veterinary health certificates.

IMPORT POLICIES

Tariffs

United Kingdom Global Tariff

The UK’s average Most-Favored-Nation (MFN) applied tariff rate was 3.8 percent in 2023 (latest data available). The UK’s average MFN applied tariff rate was 9.2 percent for agricultural products and 2.9 percent for non-agricultural products in 2023 (latest data available). The UK has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 5.1 percent. U.S. industry reports that the UK now regularly temporarily suspends its MFN applied tariffs on certain products following applications from the public, resulting in duty-free access for the time of suspension.

The UK has duties on approximately 5,000 tariff lines, including on certain agricultural products, ceramics, chemicals, bioethanol, and vehicles. Tariffs on some products such as bananas, raw cane sugar, and apparel, which tend not to be import sensitive for the UK, are maintained to provide for preferential access for imports from certain developing countries into the UK compared to the MFN rate. The UK has some high tariffs that affect U.S. exports, such as rates of up to 25.0 percent for some fish and seafood products, 10.0 percent for trucks, 10.0 percent for passenger vehicles, and up to 6.5 percent for certain mineral or chemical fertilizers.

Tariff-Rate Quotas

Under the UK Global Tariff, some products are covered by a tariff-rate quota (TRQ). TRQs apply to a variety of agricultural products that the United States exports in significant quantities, including beef, pork, cereals, and rice.

The UK maintains five autonomous tariff quotas (ATQs) that allow limited quantities of fisheries products such as cod (40,140 mt) and pollock (31,120 mt) into the UK duty free before being subject to tariffs. Stakeholders allege that ATQs are being filled by fish that were caught by Russian vessels but processed and exported from China to circumvent UK sanctions on Russian seafood, leaving little to no duty-free access under the ATQs for U.S. fisheries products.

Non-Tariff Barriers

Northern Ireland-Specific Border Controls

Northern Ireland is subject to separate arrangements under the Windsor Framework – formerly known as the Protocol on Ireland/Northern Ireland (the Protocol) – that forms part of the UK-EU agreement addressing the UK’s withdrawal from the EU. On February 27, 2023, the UK and the EU jointly announced the Windsor Framework to address certain issues regarding the Protocol. The introduction of new trade easements for goods moving from Great Britain (England, Wales, and Scotland) to Northern Ireland under the Windsor Framework began on October 1, 2023 and will be implemented in phases through 2025. When fully implemented, the Windsor Framework will apply UK public health and consumer protection standards to all retail food and drink moving into Northern Ireland for local consumption.

Border Target Operating Model

The UK’s Border Target Operating Model (BTOM) outlines the UK’s new approach to Safety and Security controls (applying to all imports) and sanitary and phytosanitary (SPS) controls (applying to imports of live animals, germinal products, animal products, plants, and plant products) at the border. The BTOM categorizes imports as either high, medium, or low risk, with border controls applied based on assessed risks posed by both the commodity and country of origin. The BTOM is applicable to imports from all countries into Great Britain. Northern Ireland is subject to separate arrangements under the Windsor Framework. Stakeholders have noted concerns regarding the fairness of and scientific justifications behind some of the parameters used to determine the risk categories under the BTOM.

As the UK proceeds through the phased introduction of the BTOM, it will also transition from EU health certificates to new model health certificates for all imports of products of animal origin and plant products. Through the transition process, the UK has sought to minimize disruptions to trade as it introduces new model health certificates.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Following withdrawal from the EU, the UK transposed existing EU technical regulations into UK law in 2021, thus creating close initial alignment between UK and EU technical regulations and requirements. Several specific trade concerns outlined in the technical barriers to trade (TBT) section of the EU Chapter in this National Trade Estimate Report therefore remain with respect to the UK. Additional divergences

between the two regimes will likely continue because changes to some EU regulations have not been, or will not be, automatically reflected in the UK regulatory regime (with the exception of Northern Ireland under the Windsor Framework) and vice versa.

Sanitary and Phytosanitary Barriers

Following withdrawal from the EU, the UK transposed existing EU sanitary and phytosanitary (SPS) measures into UK law in 2021, thus creating close initial alignment between UK and EU SPS measures. Some trade concerns outlined in the SPS section of the EU Chapter in this National Trade Estimate Report therefore remain with respect to the UK. The United States is concerned that these measures may unnecessarily restrict trade without furthering safety objectives because they appear to be applied beyond the extent necessary to protect human, animal, or plant life or health, are not based on risk, or maintained without sufficient scientific evidence. Specifically, the UK remains closely aligned to EU policy on pesticide approvals, regulation, and maximum residue limits (MRLs). However, there have been divergences between the two regimes as changes to some EU SPS measures have not been automatically reflected in the UK SPS measures (with the exception of Northern Ireland) and vice versa.

Agricultural Biotechnology

U.S. exports of processed foods and beverages to the UK have been constrained in part by local legislation pertaining to genetically modified (GM) food products. Due to long-standing negative perceptions in the UK of agricultural biotechnology, UK supermarkets and food manufacturers formulate their grocery products to exclude GM ingredients.

In March 2023, the Genetic Technology (Precision Breeding) Act received Royal Assent, confirming it as an Act of Parliament. The Act intends to simplify the process by which precision breeding technologies (*i.e.*, targeted genetic changes to produce beneficial traits that can also occur through traditional breeding and natural processes) can be authorized and brought to market more easily. This approach paves the way for the modernization of the UK agricultural biotechnology regulations, albeit with limited applicability in Scotland and Northern Ireland. The next stage in the implementation of the new legislative framework is contingent on the passing of secondary legislation setting out a more detailed framework for the regulation of precision-bred organisms used for food and animal feed.

Agricultural Chemicals, Pesticide Regulations

In May 2021, UK officials indicated that the UK would follow a risk-based approach to reviewing and approving agricultural chemicals and pesticides when establishing their post-Brexit regulatory policies. In November 2022, the UK noted it would continue to follow the EU's hazard-based approach to MRLs while it develops its own regulatory processes. In August 2023, the UK notified to the WTO Committee on Sanitary and Phytosanitary Measures a proposed measure to reduce the MRL for chlorpropham for fresh and frozen potatoes. In this case, in the absence of its own regulatory system, the UK's approach appears as restrictive as the EU's.

U.S. agricultural exporters are increasingly concerned that the UK may retain the EU's approach to regulating agricultural chemicals and pesticides, which often results in restrictions that do not appear to be science-based and that could result in further reductions of MRLs.

GOVERNMENT PROCUREMENT

The UK is a Party to the WTO Agreement on Government Procurement (GPA).

UK Space Agency

Participation in European Space Agency (ESA) procurements, to which the UK contributes funding, is generally only open to economic operators in ESA Member States. U.S. companies are generally prohibited from competing on ESA contracts. A significant amount of money is allocated by the UK to ESA. For example, the UK Space Agency (UKSA) allocated £482 million (approximately \$603 million) to ESA in its 2023–2024 budget, which is approximately 75 percent of the UKSA’s total budget.

INTELLECTUAL PROPERTY PROTECTION

The UK generally maintains high levels of intellectual property (IP) protection and enforcement. However, U.S. stakeholders have expressed concern that the UK music copyright collective fails to remunerate U.S. artists for radio broadcasts and public performances of their music in the UK. The United States will continue to monitor developments with the UK’s IP system.

Geographical Indications

The UK geographical indications (GI) program limits the use of the geographical names for food, drink, and agricultural products (including beer, cider, and perry), spirit drinks, wine, and aromatized wine. The UK schemes use the following designations: Protected Designation of Origin (PDO); Protected Geographical Indication (PGI); and Traditional Speciality Guaranteed (TSG).

The UK schemes are open to producers from the UK and other countries. All existing products that were registered under the EU GI schemes as of December 31, 2020, remain covered under the UK GI schemes, including both UK and EU GIs.

The United States is monitoring the impact of the UK’s schemes for the protection of GIs on prior trademark rights and on market access for U.S. goods that rely on the use of common names.

SERVICES BARRIERS

Professional Qualifications

Permission to act as a chartered accountant requires the applicant to have professional experience in the UK, thus limiting experienced U.S. certified public accountants from obtaining authorization to practice in the UK. Efforts are being made to address this through professional bilateral arrangements.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Digital Services Taxation

The United States and the UK are among the 137 member jurisdictions to have joined the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting [Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalization of the Economy](#), which called for all Parties to commit not to introduce digital services taxes (DSTs) in the future. On October 21, 2021, the United States, under the prior Administration, joined the UK and four other countries (Austria, France, Italy, and Spain) in a [joint statement](#) “on a transitional approach to existing Unilateral Measures while implementing Pillar 1.” According to the statement, DST liability that accrued to Austria, France, Italy, Spain, or the UK during a transitional period prior to implementation of Pillar 1 would be creditable in defined circumstances against

future corporate income tax liability due under Pillar 1. In return, Section 301 trade actions initiated during 2019 and 2020 on goods with respect to the UK and each of Austria, France, Italy, and Spain were not continued. The arrangement set out in the October 21, 2021, joint statement was extended to June 30, 2024.

On January 20, 2025, the United States issued a White House Memorandum titled, “The Organization for Economic Co-Operation and Development (OECD) Global Tax Deal (Global Tax Deal).” The memorandum stated:

The Secretary of the Treasury and the Permanent Representative of the United States to the OECD shall notify the OECD that any commitments made by the prior administration on behalf of the United States with respect to the Global Tax Deal have no force or effect within the United States absent an act by the Congress adopting the relevant provisions of the Global Tax Deal.

On January 22, 2025, appropriate representatives of the Treasury Department provided notice to the Director of the Centre of Tax Policy and Administration at the OECD. On January 24, 2025, the U.S. Permanent Delegation to the OECD provided similar notice to the Secretary General of the OECD.

SUBSIDIES

Government Support for Airbus

In October 2019, after 15 years of litigation, the WTO authorized the United States to take \$7.5 billion in countermeasures in the dispute against the EU, France, Germany, Spain, and the UK regarding their illegal subsidies for the Airbus consortium.

On June 17, 2021, the United States and the UK announced a cooperative framework to address the large civil aircraft disputes and agreed to future cooperation to overcome any disagreements in the sector. Over many years, the UK, together with France, Germany, and Spain, provided subsidies to Airbus-affiliated companies to aid in the development, production, and marketing of Airbus’s large civil aircraft. As part of the cooperative framework, the United States and UK will not impose countermeasures in the form of tariffs for five years and will work together to address nonmarket practices in the aircraft sector. The United States and the UK established a working group to address these issues on an ongoing basis.

URUGUAY

TRADE AGREEMENTS

The United States and Uruguay signed a Trade and Investment Framework Agreement on January 25, 2007. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Uruguay.

IMPORT POLICIES

Tariffs

Uruguay's average Most-Favored-Nation (MFN) applied tariff rate was 10.1 percent in 2023 (latest data available). Uruguay's average MFN applied tariff rate was 10.0 percent for agricultural products and 10.1 percent for non-agricultural products in 2023 (latest data available). Uruguay has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 31.5 percent.

Uruguay is a founding member of the Southern Common Market (MERCOSUR), formed in 1991, which also includes Argentina, Bolivia, Brazil, and Paraguay. On July 5, 2024 Bolivia promulgated its law to become a full member, and is in the process of incorporating MERCOSUR's regulations. MERCOSUR's Common External Tariff (CET) ranges from zero percent to 35.0 percent *ad valorem*. In July 2022, MERCOSUR countries agreed to a 10 percent reduction of the CET for over 80 percent of product lines. The decision reduced the block's average CET to 10.3 percent and its weighted average to 9.5 percent. Any good imported into Uruguay (not including free trade zones) is subject to the payment of the CET to Uruguay's customs authority. If the product is then re-exported to another MERCOSUR country, the CET must be paid again to the second country. MERCOSUR approved a Common Customs Code (CCC) in 2010 and launched a plan to eliminate the double application of the CET within MERCOSUR in 2021. However, only Argentina has ratified the CCC, therefore it has not yet taken effect. MERCOSUR has numerous exceptions to its CET, both by sector (e.g., telecommunications or capital goods) and by country (e.g., Uruguay exempts 225 lines).

Non-Tariff Barriers

Customs Barriers and Trade Facilitation

Uruguay charges a consular fee on imports, currently at 5 percent *ad valorem*. The imposition of consular fees disadvantages U.S. exports to Uruguay by increasing costs and imposing additional formalities that are unrelated to the services provided by the customs authority. MERCOSUR products pay a 3 percent rate, and products imported under other agreements (e.g., with Mexico) have zero percent.

U.S. poultry exporters have reported serious challenges in receiving necessary import documentation from Uruguay, severely limiting the market to U.S. poultry exports for most of 2023 and 2024.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Law No. 18.331 on the Protection of Personal Data, the "Habreas Data" action, and Decree No. 414/009 govern personal data protection in Uruguay. Law No. 20075 entered into force on January 1, 2023, and amends the Uruguayan data protection system. Uruguayan law generally restricts cross-border transfers of personal data to countries and international entities unless certain specified conditions are met. The

regulation implementing the law allows for the use of standard contract clauses, but U.S. companies report that uncertainty remains regarding whether companies can utilize certain tools or mechanisms to conduct cross-border data transfers.

INTELLECTUAL PROPERTY PROTECTION

The United States urges Uruguay to ensure transparency and due process in the protection of geographical indications (GIs) and to ensure that the grant of GI protection does not deprive interested parties of the ability to use common names, particularly as Uruguay proceeds with the European Union–MERCOSUR Trade Agreement. On October 7, 2024, Uruguay deposited its instrument of accession to join the World Intellectual Property Organization Patent Cooperation Treaty.

VIETNAM

TRADE AGREEMENTS

The United States–Vietnam Trade and Investment Framework Agreement

The United States and Vietnam signed a Trade and Investment Framework Agreement in June 2007. This Agreement is the primary mechanism for discussions of trade and investment issues between the United States and Vietnam. The United States – Vietnam Bilateral Trade Agreement entered into force on December 10, 2001.

IMPORT POLICIES

Tariffs and Taxes

Tariffs

Vietnam's average Most-Favored-Nation (MFN) applied tariff rate was 9.4 percent in 2023 (latest data available). Vietnam's average MFN applied tariff rate was 17.1 percent for agricultural products and 8.1 percent for non-agricultural products in 2023 (latest data available). Vietnam has bound 100 percent of its tariff lines in the World Trade Organization (WTO), with an average WTO bound tariff rate of 11.7 percent. Vietnam also maintains import tariff-rate quota regimes for salt, eggs, and sugar.

Although the majority of U.S. exports to Vietnam face tariffs of 15 percent or less, consumer-oriented food and agricultural products continue to face higher rates. In recent years, Vietnam has increased MFN applied tariff rates on a number of products, including: sweeteners (such as fructose and glucose); confectionary products; shelled walnuts; ketchup and other tomato sauces; inkjet printers; soda ash; and stainless steel bars and rods. Most of the products for which tariffs have increased are also produced by companies in Vietnam.

Taxes

In 2016, Vietnam's Law 106/2016/QH13 increased the special consumption taxable base for imported alcoholic beverages from the import price to the sales price received by the importer, thereby significantly increasing the tax burden on importers relative to domestic producers.

Non-Tariff Barriers

Import Bans and Restrictions

Vietnam prohibits the commercial importation of some products, including: certain children's toys; second-hand consumer goods; used parts for vehicles; used internal combustion engines of less than 30 horsepower; certain encryption devices and encryption software; refurbished medical devices; and certain cultural products.

Vietnam maintains import prohibitions on certain used information technology (IT) products. Decision 18/2016/QD-TTg eases import prohibitions on some used IT products, if these products meet various technical regulations and standards. The products covered under the decision include used IT goods that are: (1) imported in conjunction with the relocation of means of production of a single organization; (2)

imported for the control, operation, and inspection of activities in one or all parts of a system or production line; (3) imported for software production, business outsourcing, or data processing for foreign partners; or (4) reimported after overseas repairs under warranty. The decision also covers refurbished goods and components no longer in production that are imported to replace or repair those being used domestically.

Customs Barriers and Trade Facilitation

Some U.S. exporters have reported concerns about delays in releasing goods from customs custody while questions about the amount of duties and taxes owed are being resolved. Vietnam implemented the WTO Trade Facilitation Agreement article on separation of release from the calculation of amounts owed in 2022.

Product Registration Requirements – Imported Pharmaceuticals

Decree No. 54/2017/ND-CPD, which came into effect in July 2017, permits foreign pharmaceutical companies to establish importing entities. The international business and pharmaceutical communities welcomed this step but continue to have concerns about warehousing, distribution, and licensing requirements.

Circular 08/2022/TT-BYT, effective on October 20, 2022, regulates drug registration and Certificate of Pharmaceutical Product (CPP) content requirements and harmonizes with international practice. Some challenges remain as, in practice, the Ministry of Health (MOH) requires foreign competent authorities and Vietnam's diplomatic missions to authenticate or consular legalize electronic CPPs. Companies can amend the dossier for product registration up to three times the maximum; otherwise, the dossier is rejected.

In response to the ongoing backlog of drug registration renewals and applications, the Vietnam National Assembly issued Resolution 80/2023/QH15 in January 2023. This measure allows marketing authorizations (MAs) of drugs and drug raw materials that are expiring between January 1, 2023, and December 31, 2024, and MAs that have been previously extended, to continue until December 31, 2024, if those drugs and drug raw materials meet certain requirements. The National Assembly also issued Law 44/2024/QH15 amending its Law on Pharmacy on November 21, 2024. Subsequently, on December 31, 2024, the MOH issued Circular 55/2024/TT-BYT, which amended Circular 8/2022, and allows MAs that are expired after the MOH receives a renewal application to be used until further notification from Vietnam. The MOH is responsible for reviewing and publicizing the list of MAs that meet the requirements in a public and transparent manner. The United States will continue to monitor the implementation of the drug registration process in Vietnam.

Medical Devices

In January 2025, Vietnam issued Decree 4/2025/ND-CP (Decree 4), amending and supplementing Decree No. 98/2021/ND-CP, as amended by Decree No. 7/2023/ND-CP, on management of medical equipment. Decree 4 allows all existing medical equipment import licenses to be automatically extended to June 30, 2025, and regulates outstanding lodged dossiers for import licenses to be reviewed and approved under the legal framework of this new decree. The Vietnamese government has started drafting a legislative replacement for this series of decrees that is anticipated to be available for review by the National Assembly later this year. The United States will continue to monitor the developments related to the implementation of the new decree and any additional legislation.

Ethanol

Vietnam currently only allows blends of 5 percent ethanol in one of its three grades of gasoline. Vietnam's Ministry of Industry and Trade (MOIT) is the lead ministry on ethanol policy. The United States continues

to seek the expansion of ethanol blending to all grades of gasoline sold in Vietnam, the reduction of tariffs on ethanol to at least match tariff rates on other fuel additives currently used in Vietnam, as well as the eventual migration to a 10 percent ethanol blend (E10). The MOIT had previously sought to expand to E10 in all grades of gasoline, but this still had not occurred as of December 31, 2024.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Technical Barriers to Trade

Labeling

Decree 111/2021/ND-CP, which revised Decree 43/2017/ND-CP on Goods Labeling and became effective on February 15, 2022, requires imported goods to have a label added by merchants. The updated decree requires significantly more information to appear on all labels and imposes a range of additional specific requirements that vary depending on the product category. Importers have reported challenges to entering imported goods due to uncertainty and inconsistency in product classifications, which make it difficult for importers to comply with labeling requirements.

Local in-country testing requirements for Information Communications Technology products

Since 2022, Vietnam's Ministry of Information and Communications (MIC) has released several national technical regulations (QCVN) that have changed the requirements to no longer accept international test reports and to impose in-country testing requirements for various information and communication technologies (ICT) products. These regulations impose a barrier to trade for ICT products, including telecommunication products, by requiring in-country testing particularly when there is limited domestic lab testing capacity in Vietnam. U.S. industry is concerned about commercial implications from these testing requirements, and further has expressed concern over short transition periods and the lack of grandfathering in testing requirements for goods already being sold in Vietnam.

In May 2024, MIC notified a draft QCVN 134:2024/BTTTT related to Specific Absorption Rates for Mobile Phones, which included in-country testing requirements, specific standards that varied from internationally recognized standards, and very short transition periods. The United States and U.S. industry engaged with Vietnam on these concerns, which resulted in some positive improvements in the updated draft regulation. The United States will continue to engage with Vietnam on the remaining concerns.

Sanitary and Phytosanitary Barriers

Approvals for the Importation or Commercialization of Genetically Engineered Products

In 2023, after several years of inactivity, Vietnam resumed its acceptance of new applications of genetically engineered products for cultivation. In May 2024 the renewed Biosafety Committee began reviewing seven new applications of biotechnology corn, soybean, canola, and cotton intended for commercialization. In the first quarter of 2024, three newly approved corn hybrids were launched after a 10 year-long application process. Vietnam remains a major importer of biotechnology products and a key market for cultivation approvals as part of the commercialization process. The United States will continue to engage with Vietnam on the approval of pending applications.

Imports under the Food Safety Law

In February 2018, as part of enforcement of its Food Safety Law, Vietnam adopted Decree 15/2018/ND-CP (Decree 15), which provides guidance on self-declaration, labeling, import inspection, and registration for export to Vietnam of food products of plant and animal origin. Although Decree 15 simplified self-declaration for importation of food products, some aspects of the decree created uncertainty, with different line ministries, and even departments within the Ministry of Agriculture and Rural Development (MARD), appearing to have contradictory interpretations. For example, the MARD and the MOH have provided contradictory interpretations regarding Vietnam's definition of "processed products," which are exempt from the facility registration process under Decree 15.

In March 2021, Vietnam issued a draft decree that would revise Decree 15. The new draft decree covers foods and agricultural products and would create a two-step registration for import inspection by merging the self-declaration (for food safety) and conformity announcement (for quality inspection) into the registration for import inspection. Vietnam notified the draft decree to the WTO in July 2021. In July 2024, Vietnam subsequently notified to the WTO that it had withdrawn the draft decree for further consultation.

In 2023, the MOH was assigned to collaborate with the MARD and the MOIT on the review of the Food Safety Law's implementation. According to Decision 426/DQ-TTg, the Food Safety Law's review will be conducted from 2023 to 2025, after which line ministries will draft proposals to amend and supplement the law. The MOH was also assigned to review the implementation of Decree 15 in coordination with MARD and MOIT. The United States will continue to monitor Vietnam's review of its Food Safety Law and Decree 15 to avoid any potential disruptive effects on U.S. agricultural exports.

Ban on Offal Products

Despite the MARD lifting Vietnam's ban on the importation of so-called "white offal," such as poultry gizzards and beef and pork stomach and intestines, Vietnam has not approved new U.S. facilities to export these products since September 2013. The United States continues to raise concerns about Vietnam's lack of a science-based justification for not approving new U.S. facilities seeking to export offals. Plans for Vietnam to conduct onsite audits of U.S. facilities were indefinitely postponed purportedly due to the outbreak of African Swine Fever in Vietnam. The United States will continue to discuss this issue with Vietnam.

Facility registration and testing requirements for meat and poultry products

MARD approval of new meat and poultry export facilities slowed over 2024. Applicants experienced an increase in requests for additional information, including requests for proprietary information, and stakeholders were concerned that the level of detail requested amounts to a virtual audit of individual facilities. Following U.S. engagement, in December 2024, the Vietnamese Department of Animal Health (DAH) approved six facility registrations for U.S. meat and poultry exporters to Vietnam. The United States will continue working with MARD to ensure this process is streamlined for future facility registrations.

Vietnam implemented Circular 4/2024 concerning the quarantine of terrestrial animals and their products on May 16, 2024, which outlines a host of testing requirements for different products, including pathogen testing measures. Stakeholders noted concern that Circular 4/2024 has created uncertainty for trade due to a lack of key information regarding its implementation, including: how the measures are being implemented; how to appeal test results; how to request retests; the disposition of products testing positive; and timelines for actions to be taken by Vietnam's competent authority in response to positive test results.

GOVERNMENT PROCUREMENT

Vietnam's 2023 Law on Procurement provides the basic framework for government procurement and continues to promote the purchase of domestic goods or services in government procurement when they are available.

Vietnam is not a Party to the WTO Agreement on Government Procurement, but has been an observer to the WTO Committee on Government Procurement since December 2012.

INTELLECTUAL PROPERTY PROTECTION

Vietnam remained on the Watch List in the [2024 Special 301 Report](#). Despite positive developments, such as reported increase in raids and seizures of counterfeit goods, more engagement with enforcement authorities, and increases in enforcement activity by Vietnam Customs at the northern border, the United States remains concerned about intellectual property (IP) protection and enforcement in Vietnam, including in the digital environment.

Capacity and resource constraints, corruption, and poor coordination among enforcement agencies continue to pose challenges to effective IP enforcement. Piracy and sales of counterfeit goods online and in physical markets continue to be a concern. One physical market in Vietnam—Saigon Square Shopping Mall in Ho Chi Minh City—is included in the [2024 Review of Notorious Markets for Counterfeiting and Piracy](#) (Notorious Markets List). Vietnam prosecuted its first criminal copyright piracy case under the IP Law in 2024 and has made progress in taking down some online piracy sites. However, Vietnam continues to rely heavily on administrative actions and penalties to enforce IP, but these have failed to deter counterfeiting and piracy. A few successful efforts by stakeholders to negotiate directly with operators of piracy sites to shut down the sites are no substitute for enforcement actions and criminal prosecutions by government authorities. In addition, the United States has concerns about the lack of clarity in Vietnam's system for protecting against the unfair commercial use and unauthorized disclosure of undisclosed test or other data generated to obtain marketing approval for pharmaceutical products.

The United States continues to discuss these issues with Vietnam. The United States also continues to monitor the implementation of IP provisions pursuant to Vietnam's commitments under trade agreements with third parties.

SERVICES BARRIERS

Audiovisual Services

Decree 71/2022 (Decree 71), which amends Decree 06/2016 on the Management, Provision, and Use of Radio and Television Services, took effect on October 1, 2022, and requires either a local presence or a joint venture for online, over-the-top (OTT) radio and television services. The measure encompasses films and non-scripted "non-film" programs like game shows, reality shows, stand-up comedy, documentaries, and docuseries. The Law on Cinema and its implementing decree allow foreign OTT providers to offer films without obtaining a license or establishing a local entity, although platforms must adhere to two separate sets of regulations for content censorship, categorization, and ratings: Circular 05/2023/TT-BVHTTDL from the Ministry of Culture, Sports, and Tourism for films, and Circular 06/2023/TT-BTTTT from the Ministry of Information and Communications for "non-film" programs. Vietnam's implementation of Decree 71 has led U.S. stakeholders to withdraw from the Vietnamese market.

Financial Services

Foreign investors may establish 100 percent foreign-owned bank subsidiaries and may take ownership interests in domestic “joint stock” banks (*i.e.*, commercial banks with any percentage of private ownership) or “joint venture” banks (*i.e.*, banks set up by joint venture agreement, typically between domestic and foreign partners). Total equity held by foreign institutional and individual investors in domestic joint stock banks is limited to 30 percent, while total equity held by a foreign strategic investor (defined as a foreign credit institution meeting certain criteria related to capacity to help develop the Vietnamese banking partner) is limited to 20 percent. Foreign equity in joint venture banks is limited to 50 percent. Over the last two years, foreign banks have raised concerns about provisions in the Law on Credit Institutions, which limits the lending of foreign bank branches in Vietnam based on their local charter capital, rather than the global capital of the parent bank. An amended Law on Credit Institutions, promulgated in January 2024 and fully entering into effect by the end of 2024, lowered the limits for ownership by institutional shareholders in credit institutions from 15 percent to 10 percent and lowered the collective ownership limits for institutional shareholders and their related persons from 20 percent to 15 percent.

Electronic Payment Services

In 2016, two Vietnamese payment processing networks were consolidated into a *de facto* monopoly, the National Payments Corporation of Vietnam (NAPAS), which is partially owned by the State Bank of Vietnam. Since January 2021, Circular 28 requires that domestic retail electronic payment transactions be processed through NAPAS when a payment card, including an internationally-branded payment card, is presented at the merchant point of sale. This requirement does not apply to online transactions.

ELECTRONIC COMMERCE / DIGITAL TRADE BARRIERS

Law on Cybersecurity

Vietnam's Law on Cybersecurity (No. 24/2018/QH14), which took effect in June 2018, was followed by Decree 53/2022/ND-CP in October 2022, which implemented the law. The framework established by these measures creates uncertainty regarding specific requirements for businesses, applying broadly to domestic and foreign enterprises providing services on telecommunications networks or the Internet. The law mandates that all domestic Vietnamese companies, including foreign-invested subsidiaries, store a copy of Vietnamese user data on local servers and establish physical offices in Vietnam. Although international firms are nominally exempt, stakeholders lack certainty on how the Ministry of Public Security may decide to enforce data localization requirements. Additionally, the Ministry of Public Security is drafting a decree on administrative penalties for cybersecurity violations, including fines, technical measures like bandwidth restrictions, and blocking of sites. Stakeholders have expressed concerns over the lack of clarity regarding compliance with these cybersecurity requirements, and, as of December 31, 2024, the draft decree had not yet been issued.

Internet Services

Internet-Based Content Services

Vietnam restricts access to the Internet through a limited number of state-controlled Internet service providers. The government blocks or restricts websites deemed politically or culturally inappropriate. Decree 72/2013/ND-CP (Decree 72) on the management, provision, and use of Internet services and online information prohibits using Internet services to oppose the government. Decree 27/2018/ND-CP (Decree

27), issued in March 2018, amends Decree 72 by consolidating requirements for content, server localization, and data retention for social networks and information websites.

Since 2022, the Authority of Broadcasting and Electronic Information under the MIC has released draft measures to replace Decree 72 (and Decree 27), imposing new regulations on a wide range of Internet services and content providers. The draft Decree proposed content censorship measures and data localization requirements that may overlap or duplicate requirements in other laws. The scope of regulation would expand to include data centers and cloud services. In June, in response to industry advocacy, the MIC identified “ongoing issues” with the draft and committed to addressing concerns. Vietnam subsequently issued Decree 147/2024/ND-CP on the management, provision, and use of Internet services and cyber information on November 9, 2024. Effective December 25, 2024, Decree 147 annulled Decree 72 and Decree 27.

Personal Data Protection Regulation

Vietnam’s Personal Data Protection Decree (Decree 13/2023/ND-CP) was issued on April 17, 2023, and took effect on July 1, 2023. The Decree lacks clear guidelines on the industries or businesses subject to it and imposes restrictions on cross-border data flows. In September 2024, the Ministry of Public Security released for public comment a draft Personal Data Protection Law, which is expected to replace the Personal Data Protection Decree. The draft law is expected to be reviewed and approved by the National Assembly by November 2025.

In July, the Ministry of Public Security released a draft Data Law for public comment, aiming to ensure the consistent and efficient use of data for state management, socio-economic development, and digital governance. Key draft provisions prohibited misuse of data processing or management that could harm national interests or individual rights and, suggest that service providers transferring data outside Vietnam may face additional reporting requirements to assess national security risks. Vietnam’s National Assembly approved the Data Law on November 30, 2024, under a fast-track process.

Electronic Transactions

Vietnam’s Law on Electronic Transactions was passed on June 22, 2023, as Law No. 20/2023/QH15. The law remains ambiguous regarding compliance obligations for digital platforms and registration requirements for cross-border electronic signature and transaction services providers. Decree 48/2024/ND-CP, issued by the MIC in May 2024, provides regulations on digital signatures and certification services in electronic transactions. However, the financial sector remains concerned as the MIC does not recognize cross-border providers of digital signature and certification services, which are widely used by international financial institutions.

INVESTMENT BARRIERS

Vietnam maintains statutory restrictions on foreign ownership in certain enumerated sectors, such as joint partnerships and projects in banking, network infrastructure services, non-infrastructure telecommunications services, transportation, and energy. Decree 31/2021/ND-CP, promulgated in 2021, lists 25 business sectors in which foreigners are prohibited from investing. It also lists 58 other business sectors subject to market access conditions, which include: banks and non-bank credit institutions, aviation, land and sea transportation, film production and distribution, tourism services, advertising, and logistics. Depending on the sector, the market access conditions include foreign ownership caps and joint venture and local partnership requirements. Certain foreign investments also require the Prime Minister’s approval, including: projects involving airports and certain seaports; casinos; oil and gas exploration, production,

and refining; telecommunications and network infrastructure; forestry; publishing; and other projects requiring approval from more than one Vietnamese province.

In addition to the aforementioned restrictions on the telecommunications sector, the amended Law on Telecommunications No. 24/2023/QH15 (“Telecom Law”) regulates foreign equity in Vietnam’s telecommunications sector by imposing ownership restrictions, particularly on traditional telecommunications services suppliers with network infrastructure. The Telecom Law states that the government will set a maximum capital contribution or shareholding limit for foreign investors that are invested in multiple telecommunications services suppliers operating in the same market in order to ensure fair competition. In addition, foreign-owned suppliers of traditional telecommunications services participating in a commercial agreement with a licensed Vietnamese telecommunications company must execute technical plans to ensure information security. The Telecom Law also expands the definition of telecommunications services subject to the law to cover services that are not traditionally considered telecommunications services, such as data centers, cloud computing, and Internet-based services like over-the-top communications. Stakeholders have raised concerns regarding uncertainty created by the expanded definition; while the law currently does not restrict foreign ownership in these additional services, the expanded definition may provide the MIC the authority to impose such restrictions in the future. On December 24, 2024, the MIC issued Decree No. 163/2024/ND-CP, which clarifies the obligations of data center, cloud, and Internet service providers with foreign ownership, including notification, data localization, security, and user protection requirements.

ENVIRONMENT

In October 2020, the U.S. Trade Representative initiated a Section 301 investigation into Vietnam’s acts, policies, and practices related to the import and use of illegal timber, and in particular, to examine reports that Vietnam’s wood processing industry relies upon imported timber that may have been illegally harvested or traded. On October 1, 2021, the United States and Vietnam signed an agreement (Timber Agreement) that addresses U.S. concerns in the investigation. The agreement secures commitments that will help keep illegally harvested or traded timber out of the supply chain, and protect the environment and natural resources.

The United States held working group meetings with Vietnam in 2022, 2023, and 2024. Also in 2024, the United States and Vietnam coordinated to organize two workshops on timber trafficking and promote the legal timber trade for Vietnamese officials and businesses. The United States will continue to monitor Vietnam’s implementation of its commitments under the Timber Agreement.

OTHER BARRIERS

U.S. stakeholders continue to have concerns about the lack of transparency and accountability in the Government of Vietnam’s regulatory processes due to different line ministries’ overlapping mandates and other governance issues in Vietnam. The United States will continue to work with Vietnam to support reform efforts and to promote greater transparency.

Export Taxes

Vietnam imposes export taxes (ranging from 1 percent to 40 percent) on goods indicated in Decree 26/2023/ND-CP, which are primarily goods produced from minerals and natural resources in which the cost of energy, minerals, and natural resources is more than 51 percent of the value of the product. These goods include: plants and botanical parts; ore; coal; crude oil; chemicals; skins; wood; charcoal; gems; silver and gold; jewelry; and metals and metal products.

APPENDIX I

APPENDIX I

Report on Progress in Reducing Trade-Related Barriers to the Export of Greenhouse Gas Intensity Reducing Technologies

This Appendix provides an update on progress the Administration has made in reducing trade-related barriers to the export of greenhouse gas intensity reducing technologies (GHGIRTs), as called for by the Energy Policy Act of 2005. In October 2006, pursuant to section 1611 of the Act,⁹ the Office of the United States Trade Representative (USTR) prepared a report that identified trade barriers that U.S. exporters of GHGIRTs face in the top 25 greenhouse gas (GHG) emitting developing countries and described the steps the United States is taking to reduce these and other barriers to trade. The Act also calls for USTR to report annually on progress made with respect to removing the barriers identified in the initial report. USTR submitted the first annual progress report in October 2007. USTR will continue to submit further annual progress reports as part of the NTE Report.

As described in the initial 2006 GHGIRT report,¹⁰ barriers to the exports of GHGIRTs are generally similar to those identified in the NTE Report with respect to other exports to the 25 developing countries, for example: lack of regulatory transparency and sound legal infrastructure; state-controlled oil and energy sectors, that are often slower to invest in new technologies; cumbersome and unpredictable customs procedures; corruption; import licensing schemes; investment restrictions, including requirements to partner with domestic firms; lack of adequate and effective intellectual property rights protections; and, in some countries, high applied tariff rates. Progress in removing such barriers is noted in the appropriate country chapters of this NTE Report. USTR's Special 301 Report, pursuant to section 182 of the Trade Act of 1974, identifies those countries that deny adequate and effective protection for intellectual property rights or deny fair and equitable market access for persons that rely on intellectual property protection. The 2024 Special 301 Report was published in April 2024.

The global market in environmental goods and services, including GHGIRTs, is estimated to be over \$1.1 trillion annually, and the United States exported \$290 billion of environmental goods in 2024.¹¹

⁹ Section 1611 of the Act amends the Global Environmental Protection Assistance Act of 1989 (Public Law 101-240) to add new Sections 731-39. Section 732(a)(2)(A) directs the Department of State to identify the top 25 GHG emitting developing countries for the purpose of promoting climate change technology. Section 734 calls on the United States Trade Representative “(as appropriate and consistent with applicable bilateral, regional, and mutual trade agreements) [to] (1) identify trade-relations barriers maintained by foreign countries to the export of greenhouse gas intensity reducing technologies and practices from the United States to the developing countries identified in the report submitted under section 732(a)(2)(A); and (2) negotiate with foreign countries for the removal of those barriers.”

¹⁰ The Department of State's 2006 “Report to Congress on Developing Country Emissions of Greenhouse Gases and Climate Change Technology Deployment” identified the following 25 countries: Algeria; Argentina; Azerbaijan; Bangladesh; Brazil; Chile; China; Colombia; Egypt; India; Indonesia; Iraq; Kazakhstan; Libya; Malaysia; Mexico; Nigeria; Pakistan; Philippines; South Africa; Thailand; Turkmenistan; Uzbekistan; Venezuela; and Vietnam.

¹¹ Based on 2024 U.S. Bureau of Census data and includes U.S. exports and re-exports. Re-exports are defined as exports of foreign goods without significant modification.

APPENDIX II

APPENDIX II

U.S. Goods Trade for Select Trade Partners in Rank Order of U.S. Goods Exports, 2023-2024
(Values in Millions of Dollars)

Country	Goods Balance		Change	Exports	Exports	Change 2023-24		Imports	Imports	Change 2023-24	
	2023	2024	2023-24	2023	2024	Value	Percent	2023	2024	Value	Percent
World	-1,062,111	-1,202,872	-140,761	2,018,059	2,064,517	46,457	2.3	3,080,170	3,267,389	187,218	6.1
Canada	-64,263	-64,192	70	354,356	348,503	-5,853	-1.7	418,619	412,696	-5,923	-1.4
Mexico	-152,473	-171,809	-19,336	322,742	334,041	11,299	3.5	475,216	505,851	30,635	6.4
China	-279,107	-295,402	-16,294	147,778	143,546	-4,232	-2.9	426,885	438,947	12,062	2.8
Netherlands	42,783	55,516	12,733	81,310	89,649	8,339	10.3	38,526	34,133	-4,393	-11.4
United Kingdom	10,098	11,857	1,759	74,315	79,941	5,626	7.6	64,217	68,084	3,867	6.0
Japan	-71,555	-68,468	3,087	75,683	79,741	4,058	5.4	147,238	148,209	971	0.7
Germany	-82,574	-84,824	-2,249	76,698	75,613	-1,085	-1.4	159,272	160,437	1,164	0.7
South Korea	-51,098	-66,007	-14,909	65,056	65,542	486	0.7	116,154	131,549	15,395	13.3
Brazil	5,572	7,351	1,778	44,639	49,667	5,028	11.3	39,066	42,316	3,250	8.3
Singapore	1,523	2,829	1,306	42,447	46,033	3,586	8.4	40,924	43,204	2,280	5.6
France	-13,746	-16,383	-2,637	43,878	43,520	-358	-0.8	57,624	59,903	2,279	4.0
Taiwan	-47,811	-73,927	-26,116	39,957	42,337	2,380	6.0	87,767	116,264	28,497	32.5
India	-43,311	-45,664	-2,353	40,375	41,753	1,378	3.4	83,686	87,416	3,730	4.5
Australia	17,628	17,908	280	33,568	34,593	1,025	3.1	15,940	16,686	746	4.7
Belgium	15,992	6,328	-9,664	38,818	34,178	-4,640	-12.0	22,826	27,850	5,024	22.0
Italy	-44,061	-43,964	96	28,860	32,402	3,542	12.3	72,921	76,366	3,446	4.7
Hong Kong	23,710	21,913	-1,797	27,792	27,886	94	0.3	4,082	5,973	1,891	46.3
Malaysia	-26,833	-24,830	2,003	19,358	27,705	8,346	43.1	46,191	52,535	6,344	13.7
United Arab Emirates	18,230	19,495	1,265	24,849	26,969	2,120	8.5	6,620	7,474	855	12.9
Switzerland	-24,517	-38,463	-13,947	27,780	24,962	-2,818	-10.1	52,296	63,425	11,129	21.3
Spain	2,039	2,632	592	25,161	23,910	-1,251	-5.0	23,122	21,279	-1,843	-8.0
Colombia	1,565	1,347	-218	17,680	19,038	1,358	7.7	16,115	17,690	1,576	9.8
Chile	3,185	1,698	-1,487	18,774	18,168	-606	-3.2	15,589	16,469	881	5.7
Thailand	-40,725	-45,609	-4,884	15,557	17,719	2,162	13.9	56,282	63,328	7,046	12.5
Ireland	-65,554	-86,748	-21,195	16,781	16,538	-243	-1.4	82,334	103,286	20,952	25.4
Turkey	-893	-1,453	-560	14,580	15,293	713	4.9	15,473	16,746	1,273	8.2
Israel	-6,838	-7,425	-587	13,978	14,792	814	5.8	20,817	22,217	1,401	6.7
Saudi Arabia	-2,050	443	2,493	13,847	13,177	-670	-4.8	15,897	12,734	-3,163	-19.9
Vietnam	-104,583	-123,463	-18,880	9,843	13,098	3,255	33.1	114,426	136,561	22,135	19.3
Dominican Republic	5,951	5,576	-375	13,009	13,082	73	0.6	7,057	7,505	448	6.3
Poland	-2,167	-1,703	463	10,993	11,985	992	9.0	13,160	13,688	529	4.0
Peru	3,128	1,861	-1,268	11,861	11,224	-637	-5.4	8,732	9,363	631	7.2
Panama	10,540	10,146	-394	11,067	10,702	-364	-3.3	526	556	30	5.6
Indonesia	-16,960	-17,883	-923	9,838	10,202	364	3.7	26,798	28,085	1,286	4.8
Guatemala	4,889	4,695	-195	9,725	9,715	-10	-0.1	4,836	5,020	184	3.8
Costa Rica	-1,482	-1,958	-476	8,982	9,677	695	7.7	10,464	11,635	1,171	11.2
Philippines	-4,007	-4,880	-873	9,259	9,297	39	0.4	13,266	14,178	912	6.9
Argentina	4,970	2,079	-2,891	11,396	9,171	-2,225	-19.5	6,426	7,092	666	10.4
Sweden	-9,737	-9,808	-72	8,635	8,187	-447	-5.2	18,371	17,996	-376	-2.0
Ecuador	-622	-993	-371	7,977	7,532	-445	-5.6	8,599	8,524	-74	-0.9
Honduras	1,221	1,525	304	6,782	7,057	276	4.1	5,561	5,533	-28	-0.5
Egypt	2,093	3,546	1,453	4,480	6,092	1,612	36.0	2,387	2,546	159	6.7
South Africa	-6,851	-8,837	-1,985	7,125	5,819	-1,306	-18.3	13,976	14,656	679	4.9
Denmark	-6,392	-4,233	2,160	5,222	5,808	585	11.2	11,615	10,040	-1,575	-13.6
Bahamas	3,641	3,847	207	5,464	5,640	175	3.2	1,824	1,792	-31	-1.7
Morocco	2,141	3,364	1,223	3,838	5,269	1,431	37.3	1,697	1,905	208	12.3
Norway	-1,093	-1,991	-899	5,022	4,592	-430	-8.6	6,114	6,583	469	7.7
El Salvador	1,835	2,245	410	4,289	4,556	267	6.2	2,454	2,311	-143	-5.8
New Zealand	-1,185	-1,118	67	4,352	4,499	147	3.4	5,537	5,617	80	1.4
Austria	-13,622	-13,098	524	5,525	4,474	-1,051	-19.0	19,147	17,572	-1,575	-8.2

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(Values in Millions of Dollars)

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	2023	2024	2023-24	2023	2024	Value	Percent	2023	2024	Value	Percent
Czechia (Czech Republic)	-2,892	-3,802	-910	4,599	4,280	-320	-6.9	7,491	8,082	591	7.9
Venezuela	-1,099	-1,756	-656	2,494	4,232	1,738	69.7	3,594	5,988	2,394	66.6
Nigeria	-3,106	-1,525	1,581	2,587	4,174	1,588	61.4	5,692	5,699	7	0.1
Qatar	2,611	1,970	-640	4,655	3,804	-851	-18.3	2,045	1,834	-210	-10.3
Hungary	-7,741	-9,443	-1,702	3,120	3,261	141	4.5	10,861	12,704	1,843	17.0
Paraguay	2,507	2,802	295	2,765	3,158	393	14.2	258	356	98	37.9
Portugal	-4,131	-3,541	590	2,379	3,048	669	28.1	6,510	6,589	79	1.2
Nicaragua	-2,353	-1,681	672	2,365	2,941	576	24.4	4,718	4,622	-96	-2.0
Trinidad and Tobago	-890	-386	504	2,269	2,940	671	29.6	3,159	3,326	167	5.3
Jamaica	2,243	2,283	39	2,633	2,644	11	0.4	389	361	-28	-7.2
Greece	-304	370	674	1,752	2,614	862	49.2	2,057	2,244	187	9.1
Finland	-4,348	-5,465	-1,117	2,963	2,564	-399	-13.5	7,311	8,030	718	9.8
Kuwait	1,145	768	-377	2,829	2,412	-417	-14.7	1,684	1,644	-40	-2.4
Bangladesh	-6,029	-6,152	-123	2,248	2,214	-34	-1.5	8,276	8,366	89	1.1
Pakistan	-2,841	-2,989	-148	2,044	2,135	91	4.4	4,885	5,124	239	4.9
Jordan	-1,365	-1,334	31	1,551	2,031	480	30.9	2,916	3,365	448	15.4
Oman	205	634	430	1,859	1,954	95	5.1	1,655	1,320	-335	-20.2
Lithuania	850	-82	-932	2,944	1,929	-1,015	-34.5	2,095	2,012	-83	-4.0
Georgia	1,400	1,571	171	1,512	1,736	224	14.8	113	165	53	46.6
Ukraine	-273	497	770	1,048	1,684	636	60.7	1,320	1,186	-134	-10.1
Iraq	-6,194	-5,762	432	2,256	1,661	-595	-26.4	8,450	7,422	-1,028	-12.2
Uruguay	1,010	420	-590	1,880	1,649	-231	-12.3	870	1,229	359	41.3
Bahrain	510	442	-68	1,676	1,646	-29	-1.8	1,166	1,204	38	3.3
Guyana	-1,912	-4,061	-2,148	1,360	1,315	-45	-3.3	3,272	5,375	2,103	64.3
Cayman Islands	1,302	1,237	-65	1,333	1,286	-46	-3.5	30	49	19	64.2
Romania	-2,691	-2,646	45	1,305	1,259	-46	-3.5	3,996	3,905	-91	-2.3
Haiti	477	598	121	1,296	1,214	-81	-6.3	819	617	-202	-24.7
Luxembourg	1,676	438	-1,238	2,366	1,137	-1,229	-52.0	690	699	8	1.2
Kazakhstan	-1,070	-1,254	-184	1,161	1,077	-84	-7.2	2,231	2,331	100	4.5
Saint Lucia	681	1,037	355	692	1,044	352	50.9	10	7	-3	-33.0
Ethiopia	730	552	-178	1,220	1,018	-203	-16.6	490	466	-24	-5.0
Algeria	-1,828	-1,447	381	1,201	1,015	-186	-15.5	3,029	2,462	-567	-18.7
Croatia	120	-7	-127	1,020	994	-27	-2.6	901	1,001	100	11.1
Iceland	-346	-87	259	328	986	657	200.2	674	1,073	399	59.1
Ghana	-766	-204	561	861	967	106	12.3	1,627	1,172	-455	-28.0
Curaçao	471	792	321	510	824	314	61.5	39	32	-7	-18.8
Kenya	-409	45	455	485	783	298	61.4	894	737	-157	-17.5
Barbados	667	724	57	715	773	57	8.0	48	49	1	1.2
Sint Maarten	757	652	-104	847	754	-93	-10.9	90	102	12	13.1
Aruba	618	715	97	633	726	92	14.6	15	11	-5	-30.7
European Union - 27	-205,796	-231,769	-25,973	363,026	365,909	2,883	0.8	568,823	597,678	28,856	5.1

Source: U.S. Census.

U.S. Services Trade for Select Trade Partners in Rank Order of U.S. Services Exports, 2022-2023 (latest data available)
(Value in Millions of Dollars)

Country	Service Balance		Change	Exports	Exports	Change 2022-23		Imports	Imports	Change 2022-23	
	2022	2023	2022-23	2022	2023	Value	Percent	2022	2023	Value	Percent
World	235,179	278,398	43,219	949,065	1,026,596	77,531	8.2	713,886	748,198	34,312	4.8
United Kingdom	7,503	4,782	-2,721	82,197	90,826	8,629	10.5	74,694	86,044	11,350	15.2
Canada	29,262	31,702	2,440	76,640	85,980	9,340	12.2	47,377	54,278	6,901	14.6
Ireland	61,573	58,082	-3,491	84,992	84,328	-664	-0.8	23,419	26,247	2,828	12.1
Switzerland	17,908	19,068	1,160	57,706	49,656	-8,050	-14.0	39,798	30,587	-9,211	-23.1
China	14,872	26,572	11,700	41,456	46,715	5,259	12.7	26,585	20,143	-6,442	-24.2
Mexico	-351	-722	-371	38,415	44,050	5,635	14.7	38,766	44,772	6,006	15.5
Japan	-1,269	5,726	6,995	38,306	43,623	5,317	13.9	39,575	37,897	-1,678	-4.2
Germany	-2,777	-3766	-989	39,910	42,030	2,120	5.3	42,687	45,796	3,109	7.3
Singapore	24,260	26,081	1,821	34,559	37,335	2,776	8.0	10,299	11,254	955	9.3
Netherlands	19,190	20,006	816	33,420	35,497	2,077	6.2	14,231	15,490	1,259	8.8
India	-6,495	-2,407	4,088	26,539	33,999	7,460	28.1	33,034	36,406	3,372	10.2
Brazil	15,899	18,354	2,455	21,983	25,186	3,203	14.6	6,084	6,833	749	12.3
South Korea	7,392	10,217	2,825	22,589	24,860	2,271	10.1	15,197	14,643	-554	-3.6
Australia	12,551	14,315	1,764	21,351	24,477	3,126	14.6	8,800	10,161	1,361	15.5
France	-4,370	-3,241	1,129	22,089	24,060	1,971	8.9	26,459	27,301	842	3.2
Hong Kong	491	732	241	13,125	13,375	250	1.9	12,634	12,643	9	0.1
Taiwan	-3845	-203	3,642	10,477	11,900	1,423	13.6	14,322	12,103	-2,219	-15.5
Luxembourg	7,376	8,341	965	9,906	11,369	1,463	14.8	2,529	3,027	498	19.7
Italy	-1,986	-2,645	-659	9,364	11,105	1,741	18.6	11,350	13,750	2,400	21.1
Saudi Arabia	8587	8,687	100	10,261	10,644	383	3.7	1,673	1,957	284	17.0
Denmark	-2,480	2,565	5,045	9,470	10,346	876	9.3	11,950	7,781	-4,169	-34.9
Spain	-48	-1223	-1,175	8,612	9,799	1,187	13.8	8,660	11,023	2,363	27.3
Bermuda	-27,379	-24,763	2,616	9,212	8,782	-430	-4.7	36,591	33,545	-3,046	-8.3
Colombia	1,530	1,660	130	7,868	8,731	863	11.0	6,339	7,071	732	11.5
Sweden	3,460	3,800	340	7,101	7,617	516	7.3	3,641	3,818	177	4.9
Chile	2,598	2,585	-13	6,583	7,317	734	11.1	3,985	4,731	746	18.7
Argentina	4,034	4,414	380	6,676	7,308	632	9.5	2,642	2,893	251	9.5
Israel	-4120	-2422	1,698	5,888	6,394	506	8.6	10,008	8,816	-1,192	-11.9
Belgium	13	338	325	5,531	6,135	604	10.9	5,518	5,797	279	5.1
Turkey	514	214	-300	4,294	4,697	403	9.4	3,780	4,483	703	18.6
Philippines	-3,674	-4,234	-560	3,491	4,024	533	15.3	7,165	8,258	1,093	15.3
Malaysia	1295	1386	91	3,505	4,003	498	14.2	2,210	2,618	408	18.5
Peru	1,726	1,708	-18	3,873	3,802	-71	-1.8	2,147	2,094	-53	-2.5
Poland	-369	-239	130	2,882	3,629	747	25.9	3,251	3,868	617	19.0
New Zealand	1279	1037	-242	2,572	3,472	900	35.0	1,293	2,435	1,142	88.3
Thailand	1,071	490	-581	2,838	3,247	409	14.4	1,767	2,757	990	56.0
South Africa	1,265	1131	-134	2,881	3,211	330	11.5	1,616	2,080	464	28.7
Dominican Republic	-3714	-5033	-1,319	3,041	3,178	137	4.5	6,755	8,211	1,456	21.6
Vietnam	1,612	1,703	91	2,484	3,082	598	24.1	871	1,379	508	58.3
Panama	280	413	133	2,668	2,918	250	9.4	2,388	2,505	117	4.9
Indonesia	1,489	1,546	57	2,306	2,722	416	18.0	817	1,176	359	43.9
Norway	-1,440	355	1,795	2,489	2,561	72	2.9	3,929	2,206	-1,723	-43.9
Costa Rica	-2,334	-2,489	-155	2,031	2,347	316	15.6	4,366	4,836	470	10.8
Guatemala	579	848	269	1,850	2,278	428	23.1	1,270	1,431	161	12.7
Nigeria	1292	1541	249	1,901	2,237	336	17.7	609	696	87	14.3
Austria	291	381	90	1,788	2,158	370	20.7	1,497	1,777	280	18.7
Greece	-3,367	-3,863	-496	1,617	1,999	382	23.6	4,985	5,862	877	17.6
El Salvador	214	151	-63	1,581	1,912	331	20.9	1,367	1,761	394	28.8
Honduras	548	703	155	1,446	1,757	311	21.5	898	1,055	157	17.5
Venezuela	1500	1582	82	1,585	1,688	103	6.5	85	106	21	24.7
Portugal	-606	-1159	-553	1384	1,640	256	18.5	1990	2,799	809	40.7
Finland	134	-179	-313	1,735	1,574	-161	-9.3	1601	1753	152	9.5
Cyprus	-1065	-663	402	1,084	1,563	479	44.2	2,149	2,226	77	3.6
Czech Republic	-160	-192	-32	1,345	1,519	174	12.9	1,505	1,711	206	13.7
Russia	1429	594	-835	2680	1,305	-1,375	-51.3	1251	712	-539	-43.1

U.S. Services Trade for Select Trade Partners in Rank Order of U.S. Services Exports, 2022-2023 (latest data available)
(Value in Millions of Dollars)

Country	Service Balance		Change	Exports	Exports	Change 2022-23		Imports	Imports	Change 2022-23	
	2022	2023	2022-23	2022	2023	Value	Percent	2022	2023	Value	Percent
Hungary	303	243	-60	1016	1202	186	18.3	713	959	246	34.5
Romania	104	104	0	853	1015	162	19.0	749	911	162	21.6
Jordan	-86	-27	59	811	914	103	12.7	897	940	43	4.8
Morocco	79	-36	-115	725	819	94	13.0	646	855	209	32.4
Bahrain	-286	-303	-17	460	605	145	31.5	746	908	162	21.7
Nicaragua	91	61	-30	457	595	138	30.2	366	533	167	45.6
Oman	362	372	10	529	564	35	6.6	167	192	25	15.0
Bulgaria	-41	-189	-148	388	475	87	22.4	429	664	235	54.8
Malta	-312	-539	-227	539	417	-122	-22.6	851	957	106	12.5
Slovakia	122	152	30	346	407	61	17.6	224	255	31	13.8
Croatia	-185	-330	-145	306	323	17	5.6	492	653	161	32.7
Lithuania	85	107	22	272	314	42	15.4	187	207	20	10.7
Latvia	67	121	54	161	226	65	40.4	94	106	12	12.8
Slovenia	78	92	14	158	188	30	19.0	80	96	16	20.0
Estonia	11	26	15	158	179	21	13.3	147	153	6	4.1
Brunei	41	45	4	57	69	12	21.1	16	24	8	50.0
European Union - 27	75,372	76,519	1,147	246,854	261,661	14,807	6.0	171,482	185,141	13,659	8.0

Source: U.S. Bureau of Economic Analysis, Table 2.2. U.S. Trade in Services, by Type of Service and by Country or Affiliation. Release date: July 3, 2024.

U.S. FDI Abroad (Stock) for Select Trade Partners in Rank Order of FDI, 2022-2023 (latest data available)
(Value in Millions of Dollars)

Country	FDI Stock		Percent Change	Leading FDI Categories Reported
	2022	2023	2022-23	
World	6,312,525	6,676,478	5.8	Nonbank Holding Companies, Manufacturing, Finance and Insurance
United Kingdom	1,069,237	1,057,592	-1.1	Nonbank Holding Companies, Finance and Insurance, Information Services
Netherlands	944,332	980,403	3.8	Nonbank Holding Companies, Manufacturing, Information Services
Luxembourg	526,780	532,465	1.1	Nonbank Holding Companies, Finance and Insurance, Manufacturing
Ireland	448,324	491,246	9.6	Nonbank Holding Companies, Manufacturing, Information Services
Canada	432,486	451,555	4.4	Nonbank Holding Companies, Manufacturing, Finance and Insurance
Singapore	374,546	424,214	13.3	Nonbank Holding Companies, Manufacturing, Wholesale Trade
Switzerland	201,606	238,228	18.2	Nonbank Holding Companies, Manufacturing, Wholesale Trade
Bermuda	182,354	219,608	20.4	Nonbank Holding Companies, Finance and Insurance, Wholesale Trade
Australia	176,097	193,340	9.8	Nonbank Holding Companies, Manufacturing, Mining
Germany	178,597	193,179	8.2	Nonbank Holding Companies, Manufacturing, Wholesale Trade
Mexico	130,794	144,507	10.5	Manufacturing, Nonbank Holding Companies, Mining
China	122,205	126,908	3.8	Manufacturing, Wholesale Trade, Finance and Insurance
France	93,907	100,909	7.5	Manufacturing, Finance and Insurance, Nonbank Holding Companies
Hong Kong	85,917	90,564	5.4	Nonbank Holding Companies, Wholesale Trade, Manufacturing
Brazil	77,377	87,909	13.6	Manufacturing, Finance and Insurance, Nonbank Holding Companies
Belgium	61,371	66,529	8.4	Manufacturing, Finance and Insurance, Nonbank Holding Companies
Japan	54,164	63,369	17.0	Manufacturing, Finance and Insurance, Information Services
Sweden	55,348	56,197	1.5	Nonbank Holding Companies, Manufacturing, Finance and Insurance
India	46,055	49,563	7.6	Manufacturing, Professional, Scientific, and Technical Services, Information Services
Israel	41,832	45,910	9.7	Manufacturing, Information Services, Professional, Scientific, and Technical Services
Barbados	46,178	45,499	-1.5	Finance and Insurance, Manufacturing, Mining
Spain	36,796	37,850	2.9	Manufacturing, Nonbank Holding Companies, Professional, Scientific, and Technical Services
South Korea	33,083	35,642	7.7	Manufacturing, Wholesale Trade, Finance and Insurance
Chile	29,490	32,034	8.6	Finance and Insurance, Mining, Information Services
Italy	25,537	29,025	13.7	Manufacturing, Wholesale Trade, Nonbank Holding Companies
Taiwan	17,772	19,327	8.7	Manufacturing, Finance and Insurance, Information Services
United Arab Emirates	15,831	16,106	1.7	Mining, Wholesale Trade, Manufacturing
Hungary	15,999	16,037	0.2	Manufacturing, Wholesale Trade, Information Services
Indonesia	13,497	15,937	18.1	Mining, Manufacturing, Wholesale Trade
Poland	13,674	15,773	15.4	Manufacturing, Information Services, Professional, Scientific, and Technical Services
Norway	15,281	15,358	0.5	Mining, Information Services, Manufacturing
Thailand	16,467	15,138	-8.1	Manufacturing, Depository Institutions, Wholesale Trade
Argentina	11,887	14,514	22.1	Finance and Insurance, Manufacturing, Nonbank Holding Companies
Egypt	11,477	13,691	19.3	Manufacturing, Wholesale Trade, Professional, Scientific, and Technical Services
Denmark	10,472	12,845	22.7	Nonbank Holding Companies, Manufacturing, Information Services
Saudi Arabia	11,022	11,311	2.6	Nonbank Holding Companies, Manufacturing, Professional, Scientific, and Technical Services
Malaysia	12,508	10,926	-12.6	Wholesale Trade, Manufacturing, Finance and Insurance
New Zealand	9,323	8,547	-8.3	Finance and Insurance, Manufacturing, Nonbank Holding Companies
Colombia	7,095	8,438	18.9	Mining, Manufacturing, Finance and Insurance
South Africa	6,881	7,969	15.8	Manufacturing, Finance and Insurance, Nonbank Holding Companies
Russia	8,231	7,669	-6.8	Manufacturing, Wholesale Trade, Professional, Scientific, and Technical Services
Peru	6,605	6,646	0.6	Mining, Manufacturing, Wholesale Trade
Nigeria	6,190	6,533	5.5	Mining, Information Services, Finance and Insurance
Philippines	6,232	6,359	2.0	Manufacturing, Wholesale Trade, Professional, Scientific, and Technical Services
Turkey	6,048	6,254	3.4	Manufacturing, Information Services, Wholesale Trade
Austria	5,779	6,093	5.4	Manufacturing, Wholesale Trade, Nonbank Holding Companies
Finland	6,065	5,527	-8.9	Manufacturing, Information Services, Professional, Scientific, and Technical Services
Czech Republic	4,701	4,644	-1.2	Manufacturing, Wholesale Trade, Information Services
Panama	3,801	4,512	18.7	Nonbank Holding Companies, Wholesale Trade, Manufacturing
Equatorial Guinea	2,235	4,017	79.7	
Algeria	2,332	3937	68.8	
Costa Rica	3,324	3,810	14.6	Manufacturing, Wholesale Trade, Information Services
Vietnam	3,446	3,789	10.0	
Venezuela	3,089	3,268	5.8	Manufacturing, Information Services
Portugal	3,743	2,937	-21.5	Manufacturing, Professional, Scientific, and Technical Services, Wholesale Trade

U.S. FDI Abroad (Stock) for Select Trade Partners in Rank Order of FDI, 2022-2023 (latest data available) (Value in Millions of Dollars)				
Country	FDI Stock		Percent Change	Leading FDI Categories Reported
	2022	2023	2022-23	
Oman	2,272	2,171	-4.4	
Romania	1,845	2,100	13.8	
Dominican Republic	1,993	1,893	-5.0	Manufacturing, Information Services, Nonbank Holding Companies
Greece	1,754	1,824	4.0	Manufacturing, Wholesale Trade, Professional, Scientific, and Technical Services
Ghana	1,601	1,558	-2.7	
El Salvador	1,366	1,501	9.9	
Tanzania	1,407	1,432	1.8	
Honduras	1,242	1,391	12.0	Manufacturing, Wholesale Trade, Nonbank Holding Companies
Macau	869	999	15.0	
Iraq	1,128	940	-16.7	
Ecuador	820	906	10.5	Finance and Insurance, Wholesale Trade, Manufacturing
Seychelles	902	899	-0.3	
Kuwait	661	731	10.6	
Slovakia	481	635	32.0	
Azerbaijan	748	555	-25.8	
Bulgaria	524	514	-1.9	
Serbia	385	472	22.6	
Liechtenstein	450	449	-0.2	
Bangladesh	451	374	-17.1	
Nicaragua	306	340	11.1	
Lebanon	302	314	4.0	
Zimbabwe	238	280	17.6	
Morocco	393	275	-30.0	
Lithuania	242	256	5.8	
Croatia	234	214	-8.5	
Kenya	278	205	-26.3	
Bolivia	296	197	-33.4	
Angola	269	126	-53.2	
Libya	59	54	-8.5	
European Union - 27	2,456,720	2,577,823	4.9	Nonbank Holding Companies, Manufacturing, Information Services

Source: U.S. Bureau of Economic Analysis, Balance of Payments and Direct Investment Position Data. U.S. Direct Investment Abroad, U.S. Direct Investment Position Abroad on a Historical-Cost Basis, by Country. U.S. Bureau of Economic Analysis, Balance of Payments and Direct Investment Position Data. U.S. Direct Investment Abroad, U.S. Direct Investment Position Abroad on a Historical-Cost Basis, by Country and Industry.

**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20508
*USTR.GOV***

Exhibit 2:
CPNG-HJC119-0000398
H.R. 3193 United States-Republic of
Korea Digital Trade Enforcement Act

119TH CONGRESS
1ST SESSION

H. R. 3193

To authorize the appropriate administrative authorities to impose certain restrictions with respect to the Republic of Korea, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2025

Mrs. MILLER of West Virginia (for herself, Mr. MILLER of Ohio, Mr. YAKYM, and Mr. VICENTE GONZALEZ of Texas) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To authorize the appropriate administrative authorities to impose certain restrictions with respect to the Republic of Korea, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “United States-Republic
5 of Korea Digital Trade Enforcement Act”.

6 **SEC. 2. SENSE OF CONGRESS.**

7 It is the sense of Congress that—

8 (1) The United States and the Republic of
9 Korea have a longstanding, strategically important

1 economic and security partnership and are com-
2 mitted to furthering their leadership in the Indo-Pa-
3 cific region.

4 (2) Nearly 30,000 United States soldiers, sail-
5 ors, airmen, guardians, and marines are stationed in
6 South Korea as part of United States Forces Korea,
7 a deterring force against North Korea and China
8 and ensuring the security of all Koreans.

9 (3) The economic relationship between the
10 United States and South Korea is underpinned by
11 the United States-Korea Free Trade Agreement,
12 which promotes reciprocal trade ties between the
13 countries.

14 (4) South Korean companies have substantially
15 increased investment into the United States due to
16 the open investment climate maintained by the
17 United States Government. However, the policies of
18 the Government of South Korea often make it dif-
19 ficult for United States companies to invest and ex-
20 pand their business footprint in South Korea.

21 (5) In 2023, the United States trade deficit
22 with South Korea was \$51,100,000,000, increasing
23 by 16 percent from 2022, due in part to South Ko-
24 rea's discriminatory economic policies.

1 (6) South Korea is considering additional dis-
2 criminatory digital regulations that would unduly
3 burden United States businesses while benefitting
4 Chinese technology companies.

5 (7) Targeted enforcement measures, including
6 office raids and threats of prosecution, risk pro-
7 voking unnecessary friction with the United States
8 when both countries should be working to strengthen
9 this critically important economic and security alli-
10 ance.

11 (8) The United States must ensure a fair and
12 nondiscriminatory regulatory environment and strict-
13 ly enforce obligations to not establish discriminatory
14 digital trade policies around the world.

15 **SEC. 3. STATEMENT OF POLICY.**

16 It is the policy of the United States that—

17 (1) as the Chinese Communist Party seeks to
18 extend its economic and military influence in the
19 Indo-Pacific region, fair trade and economic policies
20 in the Indo-Pacific are vitally important to United
21 States leadership;

22 (2) the United States Government should fully
23 enforce the terms set forth in the United States-
24 Korea Free Trade Agreement (as such term is de-

(4) the United States Government should also use enforcement tools such as the authorities provided by section 301 of the Trade Act of 1974 (19 U.S.C. 2411; relating to actions by the United States Trade Representative) where necessary to ensure that foreign countries do not use targeted enforcement measures, including office raids and threats of prosecution that discriminate against or unfairly disadvantage United States firms.

Not later than 30 days after the enactment of any law or promulgation of any regulation by a government entity of the Republic of Korea that predesignates or post-

1 estimates a United States online or digital platform oper-
2 ator and imposes discriminatory business restrictions, the
3 United States Trade Representative shall submit a report
4 to Congress that, includes—

5 (1) a determination whether a United States
6 private entity was negatively impacted by an action
7 of any government entity of South Korea that pre-
8 designates or post-estimates a United States online
9 or digital platform operator and imposes business re-
10 strictions;

11 (2) a determination whether South Korea, by
12 adopting the law or regulation that is the subject of
13 the report, violates any obligations or denies any
14 rights under bilateral or multilateral trade agree-
15 ments with respect to the United States; and

16 (3) a determination whether the law or regula-
17 tion that is the subject of the report is either—

18 (A) an unjustifiable action that burdens or
19 restricts United States commerce, as such term
20 is defined for purposes of section 301(a) of the
21 Trade Act of 1974 (19 U.S.C. 2411(a)); or

22 (B) an unreasonable or discriminatory ac-
23 tion that burdens or restricts United States
24 commerce, as such term is defined for purposes

1 of section 301(b) of such Act (19 U.S.C.
2 2411(b)).

3 **SEC. 5. IMPOSITION OF TRADE RESTRICTIONS.**

4 Upon the submission of a report to Congress pursu-
5 ant to section 4 that includes an affirmative determination
6 described in any of paragraphs (1) through (3) of that
7 section, the United States Trade Representative shall un-
8 dertake measures to protect United States commerce
9 abroad that may include the following:

10 (1) A dispute initiated under the terms of the
11 World Trade Organization's Dispute Settlement Un-
12 derstanding.

13 (2) An investigation under the authorities of
14 section 301 of the Trade Act of 1974 (19 U.S.C.
15 2411).

16 (3) A dispute under the provisions of the
17 United States-Korea Free Trade Agreement.

18 (4) Entering into an agreement with South
19 Korea to mitigate all impacts of the law or regula-
20 tion with respect to which the report was submitted
21 on United States private entities.

○

Exhibit 3:
CPNG-HJC119-0000404
Congressional Record

processing, analysis, production, and dissemination of signals intelligence information, including through the use of electronic surveillance.

“(c) PROHIBITION ON TARGETING UNITED STATES PERSONS.—The Secretary may not provide support under this section that intentionally targets a United States person to acquire information.

“(d) CONGRESSIONAL NOTIFICATION.—The Secretary shall promptly report to the congressional defense committees and the congressional intelligence committees any support provided under this section.

“(e) REIMBURSABLE SUPPORT.—The head of a department or agency of the Federal Government to which support is provided under this section shall reimburse the Department of Defense for such support pursuant to section 1535 of title 31.

“(f) CLASSIFICATION REVIEW.—(1) Upon completion of support authorized under this section, the Secretary of Defense, in consultation with the head of a department or agency of the Federal Government to which such support was provided, shall conduct a declassification review of the report required by subsection (d) and make publicly available such report or a summary of such report to the greatest extent practicable and consistent with the protection of national security.

“(2) The Secretary of Defense shall complete the declassification review required by paragraph (1) of a report required by subsection (d) as soon as practicable following the completion of the support that is the subject such report and not later than 180 days after the date on which such declassification review begins.

“(g) APPLICABILITY OF OTHER LAWS TO ACTIVITIES RELATED TO THE MITIGATION OF THREATS FROM UNMANNED AIRCRAFT SYSTEMS OR UNMANNED AIRCRAFT.—Sections 32, 1030, and 1367 of title 18 and section 46502 of title 49 may not be construed to apply to activities of the Department of Defense or the Coast Guard, whether under this section or any other provision of law, that—

“(1) are conducted outside the United States; and

“(2) are related to the mitigation of threats from unmanned aircraft systems or unmanned aircraft.

“(h) DEFINITIONS.—In this section:

“(1) The terms ‘agent of a foreign power’, ‘electronic surveillance’, ‘foreign power’, and ‘United States person’ have the meanings given those terms in section 101 of the Foreign Intelligence Surveillance Act of 1978 (50 U.S.C. 1801).

“(2) The term ‘congressional intelligence committees’ has the meaning given such term in section 3 of the National Security Act of 1947 (50 U.S.C. 3003).”.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section relating to section 130i the following new item:

“130j. Protection of United States airspace, maritime domain, and territory from incursions by foreign powers.”.

SA 3052. Mr. COTTON submitted an amendment intended to be proposed by him to the bill S. 4638, to authorize appropriations for fiscal year 2025 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle D of title XII, add the following:

SEC. 1266. REPORT ON NATIONAL SECURITY IMPACTS OF TECHNOLOGY PROTECTIONISM BY THE REPUBLIC OF KOREA.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense, in coordination with the Secretary of Commerce and the Secretary of State, shall submit to the congressional defense committees a report detailing the national security implications of the discrimination by the Republic of Korea against United States technology companies, which works to the advantage of technology firms of the People's Republic of China.

(b) ELEMENTS.—The report required by subsection (a) shall include—

(1) a determination as to whether—

(A) legislation of the Republic of Korea known as the “Online Platform Monopoly Regulation Act” would impact United States national security by discriminating against United States technology companies;

(B) such legislation would allow technology firms of the People's Republic of China that pose national security risks to the United States to gain market share in the Republic of Korea; and

(C) dominance over the digital sectors of the Republic of Korea by technology firms of the People's Republic of China would impact the information security of the United States Armed Forces based in the Republic of Korea; and

(2) a determination of the manner in which the passage of such legislation and the mitigation of its national security impacts should be accounted for in the Special Measures Agreement, and other United States defense funding intended for the protection of the Republic of Korea.

SA 3053. Mr. COTTON submitted an amendment intended to be proposed by him to the bill S. 4638, to authorize appropriations for fiscal year 2025 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table; as follows:

At the end of division A, add the following:

TITLE XVII—NO ICBMS FOR IRAN ACT OF 2024

SEC. 1701. SHORT TITLE.

This title may be cited as the “No ICBMs for Iran Act of 2024”.

Subtitle A—Sanctions and Report on Iranian Space-launch Vehicles and Intercontinental Ballistic Missiles

SEC. 1711. FINDINGS; SENSE OF CONGRESS.

(a) FINDINGS.—Congress makes the following findings:

(1) The Islamic Republic of Iran has the largest ballistic missile arsenal in the Middle East, which Iran uses to threaten forces of the United States and partners of the United States in the region.

(2) Iran is progressing toward developing an intercontinental ballistic missile (commonly referred to as an “ICBM”) capability. In 2023, the Defense Intelligence Agency reported that Iran's progress on its space-launch vehicles shortens the time needed for Iran to produce an ICBM since space-launch vehicles and ICBMs use similar technologies.

(3) Iran continues to rely on illicit foreign procurement to support its long-range missile aspirations. For example, Iran recently tried to purchase from the Russian Federation and the People's Republic of China am-

monium perchlorate, which is the main ingredient in solid propellants to power missiles.

(4) Iran relies at least in part on networks in Hong Kong and the People's Republic of China to procure dual-use materials and equipment for its longer-range ballistic missile program.

(5) North Korea historically has played a role in supporting longer-range Iranian ballistic missile capabilities. Specifically, North Korea provided the Nodong-A to Iran in the 1990s, which Iran used to develop both its first nuclear-capable medium-range ballistic missile and liquid propellant engines for its space-launch vehicles.

(6) While the Iran Space Agency, a government organization subject to sanctions, develops space capabilities for Iran's ministry of defense as well as the communications sector, Iran's Revolutionary Guard Corps Aerospace Force (commonly referred to as the “IRGC-AF”) runs a parallel space program employing solid-propellant motors, which if used in ICBM technology, would enable launches with little warning.

(7) Iran continues work on larger diameter solid-propellant motors, like the Rafa'e, and is now reportedly in the possession of an all-solid-propellant space-launch vehicle called the Qaem-100. Iran successfully launched a satellite into orbit using its Qaem-100 rocket January 2024.

(8) Iran's development, production, and transfer of space-launch vehicle and ballistic missile technology violated Annex B of United Nations Security Council Resolution 2231 (2015), which enshrined certain restrictions under the Joint Comprehensive Plan of Action. Those restrictions expired on October 18, 2023.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Iran's space program continues to function as a cover for Iran's quest for an ICBM;

(2) the possession by Iran of an ICBM would pose a direct threat to the United States homeland and partners of the United States in Europe; and

(3) the United States should work to deny Iran the ability to hold the United States homeland or European partners of the United States at risk with an ICBM.

SEC. 1712. DETERMINATION AND MANDATORY IMPOSITION OF SANCTIONS UNDER EXECUTIVE ORDER 13382.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the President shall—

(1) determine whether each individual or entity specified in subsection (b) meets the criteria for the imposition of sanctions under Executive Order 13382 (50 U.S.C. 1701 note; relating to blocking property of weapons of mass destruction proliferators and their supporters); and

(2) with respect to any such individual or entity the President determines does meet such criteria, impose such sanctions.

(b) INDIVIDUALS AND ENTITIES SPECIFIED.—The individuals and entities specified in this subsection are the following:

(1) The Space Division of the IRGC-AF.

(2) All senior officers of the IRGC-AF.

(3) Brigadier General Amir-Ali Hajizadeh, the commander of the IRGC-AF.

(4) General Majid Mousavi, the deputy commander of the IRGC-AF.

(5) Second Brigadier General Ali-Jafarabadi, the commander of the Space Division of the IRGC-AF.

SEC. 1713. REPORT ON SUPPORT FOR IRAN'S SPACE, AEROSPACE, AND BALLISTIC MISSILE SECTORS AND UNITED STATES CAPACITY TO DENY INTERCONTINENTAL BALLISTIC MISSILE ATTACKS FROM IRAN.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act,

Exhibit 4:
CPNG-HJC119-0000405
Politico Article “Trump’s Warning on
Digital Rules Was Aimed at this
Country”

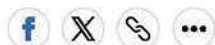
Trump's warning on digital rules was aimed at this country

The White House is increasingly concerned that other countries will mimic Europe's laws governing large tech companies.



The White House is watching South Korea's response to pressure over its digital proposals as a test of whether Washington can dissuade other trading partners from pursuing similar rules. | Al Drago/Bloomberg

By **ARI HAWKINS**
09/03/2025 10:45 AM EDT



A threat from President Donald Trump to impose “substantial” tariffs on countries that regulate U.S. tech companies is riling up Europe. But the continent’s digital regulations were not Trump’s primary target.

Trump’s Aug. 25 [post threatening to penalize “all countries with Digital Taxes, Legislation, Rules, or Regulations,”](#) did not specify any territory by name. However, four people familiar with the White House’s conversations on digital trade policy say it was largely a response to several pieces of tech-focused legislation under consideration in South Korea’s parliament. The people were granted anonymity to discuss ongoing negotiations.

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Trump's threat is poised to complicate the talks between Seoul and Washington to nail down the details of the [preliminary trade agreement their governments reached in July](#). At the same time, it has alarmed leaders in the European Union and United Kingdom, who worry Trump's new demand could upend tentative trade agreements they have reached.

"Trump's post was a warning shot to South Korea and other countries weighing new rules on digital trade not to follow the European Union's approach," according to a person who spoke with Trump the day of his Truth Social post.

Trump's missive came shortly after he met with new South Korean President Lee Jae Myung at the White House, and after Lee's government refused to sign onto a joint statement on the preliminary trade agreement that included a pledge to block legislation to regulate large tech companies operating in the country.

While the South Korean government did not officially respond to the post, it drew an immediate response from EU officials, who declared it their "sovereign right" to oversee economic activities on their soil. Several EU leaders [vigorously refuted the Trump administration's claim](#) that European restrictions unfairly target American tech companies. And EU Commission spokesperson Thomas Regnier said its regulation "does not look at the color of a company, at the jurisdiction of a company, nor the owner of a company."

But while Europe's digital regulations are despised by U.S. tech giants, the White House is more focused on countries like South Korea, India, Turkey and Brazil, which are currently considering draft rules loosely modeled on Europe's laws.

Senior White House officials see South Korea's response as a litmus test on whether they will be able to pressure other trading partners to abort pushes for new digital restrictions, three of the people said.

"Part of it was the frustration that Europe hasn't budged," said another person close to the White House on Trump's post. "But there was more a recognition ... that South Korea was probably among three or four other jurisdictions potentially looking to be first followers of the EU — to mirror or mimic that approach. So he was like, 'Okay, South Korea is here, their new president has said this is a priority, and we've got to nip this in the bud.'"

A White House official told POLITICO that Trump has “consistently opposed” digital regulations from countries that target American tech companies. Those discussions are “part of almost every trade negotiation we’re having,” the official added.

South Korean lawmakers in recent years have floated a series of proposals that could classify major U.S. tech companies as monopolies or gate-keepers, and open them up to steep fines, including the [Platform Competition Promotion Act](#) proposed in 2023. Those and similar proposals are drawing growing criticism from Trump allies in the U.S., including lawmakers like Sen. Bill Hagerty (R-Tenn.), who co-led a letter sent in late July warning that Seoul’s proposed rules could give Chinese tech companies an edge there.

Leading MAGA voices have also taken note: conservative activist and podcaster Charlie Kirk [shared a post on X](#) on Aug. 24 complaining that South Korea’s government “still targets U.S. industry with regulations while giving Chinese companies a free pass.”

“Only Trump can fix this, no more free passes for China while we get punished,” Kirk wrote.

U.S. Trade Representative Jamieson Greer has brought up the legislation in trade talks with his South Korean counterparts, but digital trade wasn’t addressed in the [limited trade agreement the two countries announced late July](#). The announcement — which Trump posted on social media — was scant on details, saying only that South Korea had agreed to a 15 percent tariff on its exports in exchange for a pledge of more than \$350 billion in investment and an additional \$100 billion in energy purchases.

Ahead of the president’s meeting with Lee, however, senior Trump administration officials pressed the South Korean government to sign a joint statement on the deal that included language pledging to abandon proposals for digital trade restrictions, according to three people familiar with the discussions. South Korea rejected that draft language.

Seoul insists it will press ahead with some form of digital regulation, though it has adjusted its approach to address expectations from the Trump administration. As a result of trade talks with Washington, South Korea’s liberal party will give up on at least one proposal, known as the Online Platform Regulation Act, according to a senior official [quoted in local reports](#), and will instead consider pared back digital rules.

Some South Korean officials say they would be [willing to ease digital proposals](#) that the Trump administration claims discriminate against American companies, and the Trump administration believes they are making progress toward convincing Lee's administration to reject any digital legislation that hits American companies.

"A lot is on the table and a lot of those demands are far tougher for South Korea than the digital issues," said a person close to the White House.

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While South Korea's legislation has long been on Big Tech's radar, it only recently came to Trump's attention, following days of briefings that highlighted Lee's pledges to tighten digital regulations during the country's presidential campaign earlier this year. High-profile Trump supporters have also recently taken note of the tech debate taking place in South Korea.

Kirk's X post was also shared with the president during a briefing ahead of the summit, as was an op-ed from former Trump national security adviser Robert O'Brien warning South Korea's digital legislation, if passed, would be a ["gift" to the Chinese government](#).

Trump echoed that language in his Truth Social post, suggesting that other countries' digital regulations "outrageously, give a complete pass to China's largest Tech Companies."

"If Trump wants to go after Amazon, Google, or other U.S. tech firms here at home, that's his prerogative, but other countries shouldn't be messing with American tech firms. That's clearly how folks like Charlie Kirk feel, and I think that's how the president feels too," said a former Republican official, who frequently meets with the president and senior White House officials.

White House aides also presented Trump with letters from Republican lawmakers asking the administration to address the digital dispute as part of trade negotiations with South Korea, the people said.

Ahead of Lee's visit, House Ways and Means Republicans Adrian Smith (Neb.) and Carol Miller (W.Va.) released public statements calling on the administration to address the country's digital proposals, and [led a letter](#) from more than 40 House Republicans warning that South Korea's measures would disproportionately target U.S. tech firms.

Said Miller: "President Trump is a known dealmaker, and I am confident that he will help secure fair market access for our digital companies operating

abroad.”

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Exhibit 5:
CPNG-HJC119-0000413
Korea JoongAng Daily Article
“Intelligence Service Asks Parliament to
Charge Coupang Interim Chief with
Perjury”

Intelligence service asks parliament to charge Coupang interim chief with perjury

Published: 30 Dec. 2025, 22:10 Updated: 30 Dec. 2025, 22:13



Coupang interim CEO Harold Rogers, center, takes an oath during a parliamentary hearing at the National Assembly in Yeouido, western Seoul, on Dec. 30. [NEWS1]

Korea's National Intelligence Service (NIS) on Tuesday requested that the National Assembly charge Coupang interim CEO Harold Rogers with perjury over claims that the NIS meddled in the corporate investigation into a recent data leak.

The spy agency's request came hours after Rogers testified during a parliamentary hearing on the breach that the e-commerce platform's investigation was conducted in accordance with instructions from the NIS.

On Nov. 29, Coupang acknowledged a massive breach of personal data of some 33.7 million accounts. While the platform later revised the figure down to some 3,000 accounts after it conducted an investigation, the Ministry of Science and ICT said it had confirmed the leakage of data belonging to more than 33 million users, including their names and email addresses, through a joint public-private probe on Tuesday.

Related Article

[Coupang interim chief's insistence on using own interpreter causes row in parliamentary hearing](#)

[Tempers flare at National Assembly's hearing on Coupang](#)

[Coupang files probe results with SEC as Korean gov't protests](#)

The NIS requested "that the parliamentary hearing, which holds the authority to file formal accusations, charge the Coupang representative with perjury according to the first provision of the 14th article of the Act on Testimony and Appraisal before the National Assembly," according to a press release from the NIS.

Under the law, witnesses who make a false statement or appraisal as part of a sworn testimony face a punishment of not less than one year but not more than 10 years.



Coupang trucks parked at a logistics center in downtown Seoul on Dec. 30. [NEWS1]

Regarding Coupang's investigation, Rogers said, "The government agency instructed us, and we did what the government agency told us to do." However, the NIS dismissed his claim.

In its statement, the spy intelligence said, "Besides requesting materials, it has never ordered, instructed nor permitted any actions by Coupang, and the agency is not in a position to take such an action."

Addressing a question about who within Coupang instructed its investigation team to contact the suspect behind the leak, Rogers claimed that "the Korean government directly instructed our team, who went and spoke to him," but NIS said it "reiterated multiple times that Coupang should make a final judgment" regarding whether to contact the suspect.

The interim chief also said that Coupang made a forensic copy of the hard drive on the suspect's computer under instruction by the Korean government.

The NIS, however, stated that the company had already copied an image on Dec. 15, two days before the intelligence agency made contact.

"The agency was not aware that the copy had been made until communicating with Coupang" on Dec. 17, the NIS added.

The NIS also dismissed Rogers's claim that the agency possesses a copied version of the drive and gave an additional copy for Coupang, while the original copy was delivered to the police.

However, the NIS did not explain how it had communicated with Coupang regarding contact with the suspect.

The NIS issued a stern warning "that the remarks from Coupang's representatives present a grave issue that undermines the credibility of the state agency."



 Korea Coupang parliament National Assembly Harold Rogers perjury

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Exhibit 6:
CPNG-HJC119-0000416
The Korea Herald Article “NIS Refutes
Coupang CEO’s Claims of Agency
Involvement in Controversial Internal
Probe of Data Breach”

NIS refutes Coupang CEO's claims of agency involvement in controversial internal probe of data breach

Published : 2025-12-30 20:43:15



Coupang interim CEO Harold Rogers speaks during a parliamentary hearing at the National Assembly in Seoul on Tuesday. (Yonhap)

South Korea's National Intelligence Service on Tuesday denied Coupang interim CEO Harold Rogers' claim that the company's internal investigation into a large-scale data breach was conducted "following the instructions or orders" of the intelligence agency.

The NIS, in a statement released to the media, emphasized that it had issued no instructions, orders or approvals of any kind regarding Coupang's self-led investigation of key evidence, which is currently under police investigation.

Last week, Coupang, in a move that surprised Korean authorities, reported that its own investigation had determined the scale of the data breach affected only about 3,000 users, far fewer than widely reported.

During Tuesday's parliamentary hearing, Rogers defended the company's decision to look into the evidence themselves and contact the suspect, claiming it was done in line with what the NIS had suggested.

The NIS, countering Rogers' testimony, said Coupang had already duplicated the forensic images of hard drives on Dec. 15, two days before the agency made any contact, contradicting Rogers' account of the timing and the agency's involvement.

The agency further dismissed his claims that government authorities retained copies of the forensic images, transferred the originals to the police and authorized Coupang to keep additional copies.

Regarding Rogers' account that the NIS had instructed Coupang to contact the former employee responsible for the data leak, the agency said it had repeatedly underscored that "the final decision is up to Coupang" when the company sought advice on whether to reach out to the leaker.

"We have earnestly warned Coupang that false statements by its CEO are a serious matter that undermines trust in government agencies," the NIS said.

Earlier in the hearing, Korea's Deputy Prime Minister and Science Minister Bae Kyung-hoon expressed "serious concern" that Coupang disclosed the results of its own investigation without consulting authorities, calling the move "extremely malicious." Bae warned that Coupang's claim limiting the breach to about 3,000 users was unfounded, noting the data could have been uploaded to cloud servers.

<https://www.koreaherald.com/article/10646287>

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Exhibit 7:
CPNG-HJC119-0000421
National Bureau of Asian Research
Report “Understanding the Impact of
KFTC Enforcement on U.S. Firms”



UNDERSTANDING THE IMPACT OF KFTC ENFORCEMENT ON U.S. FIRMS

QUALITATIVE EVIDENCE AND ANALYSIS

REPORT BY NIGEL CORY, CROWELL GLOBAL ADVISORS

As the Trump administration continues to highlight non-tariff barriers against U.S. firms as a policy priority in trade negotiations, the discriminatory use of competition policy against U.S. firms has emerged as a priority issue. The administration's stance reflects growing concern that U.S. adversaries and allies alike are using competition laws and enforcement actions—once narrowly focused on consumer welfare and market efficiency—as tools of economic statecraft and industrial policy to target U.S. firms. While countries retain the sovereign right to regulate both domestic and foreign companies and to enforce their competition laws, targeted or politically motivated actions by competition authorities undermine the rule of law, distort markets, violate international trade obligations, and inhibit innovation and economic growth.

Among these authorities, the Korea Fair Trade Commission (KFTC) stands out for the scale and nature of its enforcement actions against U.S. firms. Even when compared with other active regulators, such as the EU Directorate-General for Competition, the KFTC's approach has raised significant concerns among U.S. and other foreign firms. Although KFTC-proposed legislative initiatives—such as the Platform Competition Promotion Act, which is modeled on the European Union's Digital Markets Act—have not yet been enacted, the agency's enforcement practices are aggressive, discretionary, and at times apparently arbitrary. The KFTC's approach has been problematic for several years. It prompted the first-ever Korea-U.S. Free Trade Agreement (KORUS) consultations in 2019, underscoring U.S. concerns that the commission's actions amount to a non-tariff barrier to trade under KORUS.¹ The KFTC's practices also show a pattern of alignment with the type of barriers identified in the Trump administration's reciprocal trade memo.²

The KFTC's actions do not occur in isolation. They reflect a broader South Korean policy perspective that views competition policy primarily as a domestic tool, with limited regard for international trade obligations.

Nigel Cory is a Director at Crowell Global Advisors and a Nonresident Fellow at the National Bureau of Asian Research.

South Korean policymakers, including members of the National Assembly and among KFTC leadership, reject claims of protectionism, arguing that foreign and domestic firms are treated equally. However, interviews with U.S. firms reveal that the practical effect of KFTC enforcement has been disproportionate scrutiny of U.S. firms, raising questions about de facto discrimination and the politicization of competition policy.

To assess the scope and impact of the KFTC's actions, the National Bureau of Asian Research (NBR) conducted a series of interviews with several U.S. firms that have been subject to multiple KFTC investigations. These firms span a range of sectors and scales of operation in South Korea, with some holding significant market share, while others are smaller participants. All reported recurrent, burdensome, and unpredictable actions, reinforcing concerns about the KFTC's transparency, proportionality, and adherence to South Korea's international commitments and best practices for the enforcement of international competition policy.

Each interviewed firm reported distinct experiences with the KFTC. Some faced multiple investigations on an almost regular cadence, while others encountered more occasional scrutiny. Firms also varied in their engagement strategies. Some proactively shared information to help build the KFTC's understanding of emerging technologies and market and competition dynamics, while others adopted a more cautious, defensive posture.

Despite these differences, all firms expressed common concerns regarding the KFTC's investigative practices. Recurring themes included the following:

- A low threshold for opening investigations
- A lack of details and transparency about the specific alleged misconduct and the associated theory of harm
- Unnecessarily aggressive investigative tactics and raids

- Overly broad information requests and data seizures
- The frequent use of (or threats to use) criminal referrals as an enforcement and intimidation tool

Taken together, these practices convey a pattern that firms widely perceived as protectionist in effect, if not in intent. Interviewees cited media, political, and institutional pressures that incentivize the KFTC to pursue high-profile actions against U.S. tech firms. These pressures overlap with industrial policy objectives aimed at promoting Korean tech firms and products and reducing perceived foreign dominance. U.S. firms also emphasized that the KFTC's technical and market understanding often lags the industries it regulates. Many KFTC officials and third-party expert advisers reportedly lack deep legal or technological expertise, leading to oversimplified and mistaken assessments of complex digital business models and competition dynamics. This knowledge gap, coupled with strong political and media incentives, has fostered a regulatory enforcement that U.S. firms view as unpredictable, politicized, and tilted against them.

Interview findings indicate that the KFTC's enforcement practices are clearly protectionist when compared with those of other jurisdictions. The duration, frequency, and intensity of Korean competition oversight of U.S. firms have increased over time and may escalate further if South Korea enacts new platform legislation. The ongoing debate around this legislation underscores that now is a critical moment to reassess the KFTC's approach—both to prevent further escalation and to ensure that existing concerns are addressed constructively.

U.S. firms consistently emphasize that they fully recognize and respect South Korea's sovereign right to regulate trade, including for competition policy. However, they also stress that enforcement must be transparent, nondiscriminatory, and predictable,

consistent with South Korea's international commitments under KORUS and in line with broader global norms.

U.S. firms report that the impact of the KFTC's actions are many, varied, and commercially significant. They face significant reputational damage from being dragged through multiple KFTC investigations and long and drawn-out legal challenges. U.S. firms report that the heavy-handed and aggressive regulatory scrutiny extends well beyond the KFTC to the Korea Communications Commission (KCC), South Korea's National Tax Service, and the Korean National Assembly. New legislation that might be adopted would mean even higher legal and administration costs.

A comprehensive description of the core themes and issues highlighted in the interviews follows. This report then analyzes recent developments relating to competition policy under the new administration of President Lee Jae-myung and the potential implications for KFTC enforcement activities. The report concludes by examining how the issues identified in the interviews amount to a non-tariff barrier.

Key Issues from Interviews

This section identifies, synthesizes, and analyzes key issues identified by several U.S. firms that have been impacted by KFTC policies and enforcement actions. During anonymous interviews, U.S. firms described several major common issues that represent discriminatory and other highly problematic conduct in South Korea, especially when compared with other developed countries. U.S. firms asked to speak anonymously for fear of KFTC retaliation, noting that attempts to push back against the commission's overreach often precipitate more aggressive actions, such as additional or extended dawn raids.

Lack of procedural fairness and due process in KFTC investigations. U.S. firms' principal complaint about

KFTC enforcement is the lack of basic procedural fairness and due process. There are several elements of KFTC investigations that undermine due-process protections. When considered together, their effects are compounded and lead to a situation where firms are unable to defend themselves as they would normally in other countries.

The KFTC strictly limits the information that firms receive during investigations. Unlike in the EU, the United States, and other countries, the KFTC does not as a matter of course provide the firm under investigation with access to its case file. This impedes the firm's ability to understand the full scope and specific details of the alleged misconduct and thus defend itself. Firms complain about the overly broad and onerous requests for data and information, yet the only information they are able to access is that which the KFTC chooses to present in the examiner's report (which is a summary of findings). As such, firms often are unable to highlight exculpatory evidence that the KFTC has not included. In contrast, in the EU and elsewhere, there is a formal "access to file" process where a firm under investigation can review all the information that the regulatory authority has collected throughout the investigation. As the European Commission's Directorate-General for Competition notes, "access to the Commission's file is one of the procedural guarantees intended to apply the principle of equality of arms and to protect rights of defense."³ While the 2020 amendments to the Monopoly Regulation and Fair Trade Act (MRFTA) were intended to address this complaint and establish a similar procedure to that in the EU,⁴ by 2021 this had reportedly once again been restricted to information in the examiner's report.⁵

Companies continue to report that, in practice, access to relevant information is not provided by the KFTC. As such, the issue is fundamentally not about the nature of South Korean law or how South Korea exercises its right to regulate, but rather with the KFTC's compliance with the legal requirements

under which it operates. Furthermore, by only being able to review a limited subset of information at a relatively late stage of the investigation, firms lack the opportunity to challenge or clarify information or allegations that the KFTC receives from other parties. Given that firms have noted that there is often significant political pressure on the KFTC commissioners not to reduce or undermine the remedies suggested in the examiner's report, this functionally means that companies cannot proffer a defense or rebut the evidence against them prior to the penalty being determined.

This issue persists despite the fact that there are specific provisions of KORUS and discussions that relate to this issue. Article 16.1.3 states that a party in an administrative hearing related to competition must "have a reasonable opportunity to...review and rebut the evidence and any other collected information on which the determination may be based." In 2019 the Office of the U.S. Trade Representative requested the first-ever consultations with South Korea under the chapter on competition-related matters (chapter 16) to address this specific issue, which clearly remains unresolved.⁶ In response, in 2020 South Korea enacted amendments to the MRFTA, which extended the respondents' right to inspect and reproduce documents relating to a decision by the KFTC. The amendments also created a requirement that the KFTC comply with document requests by parties, unless the materials requested contain trade secrets, relate to leniency applications, or are otherwise prohibited from production by another statute. However, U.S. firms do not feel that this requirement has been effective.

U.S. firms also consistently commented that they have limited or even no legal recourse to challenge the evidence against them and the rationale or scope of KFTC investigations in court until after the final decision is released. This contrasts with the United States, where U.S. firms could appeal to a judge to narrow the scope of the investigation or information disclosure if it is not relevant to

the alleged misconduct. While firms have often succeeded in highlighting procedural violations and overturning KFTC decisions in court, the investigations and the costs these impose on firms have already been borne—and indeed are amplified by the need to prepare throughout the process for an eventual court challenge. Beyond the monetary costs, firms also suffer reputational damage from being accused of violating South Korean law—which is enhanced by the KFTC's trumpeting of its enforcement actions and penalties and cannot be reversed even if the penalty is. Moreover, the fact that firms are often successful on appeal suggests deep procedural or substantive flaws across the KFTC's investigative process, again reflecting that its concern is not about South Korean law but rather overaggressive enforcement.

Other features of KFTC investigations compound the impact of these issues on due-process protections. Firms report that the KFTC rarely shares details about the underlying complaint or theory of harm and that complainants remain anonymous, even when the allegations are vague or unsupported. Taken together, these factors make the KFTC investigatory process highly opaque, with regulatory authorities being reluctant to clarify the rationale behind their actions. The lack of transparency and procedural safeguards undermines the ability of firms to defend themselves as they would in other advanced economies throughout the G-7 and Organisation for Economic Co-operation and Development (OECD). These procedural deficiencies in the KFTC's processes create a climate of uncertainty and risk, making it costlier for firms to operate in South Korea and raising the prospects of political targeting of disfavored firms.

The low and arbitrary threshold for investigations leads to frequent investigations that are nearly continuous. The KFTC has an exceptionally low bar for launching investigations. This includes acting on single, anonymous complaints without clear, substantiated accusations of wrongdoing.

Both U.S. and Korean firms report being under nearly constant KFTC scrutiny, but U.S. firms note that investigations targeting them are especially frequent and arbitrary. According to multiple firms, these investigations often are initiated on a regular cadence, with executives becoming nervous when the KFTC has not launched a new investigation for several months—since this necessarily implies that one is imminent. The predictable tempo, with some firms describing investigations as being launched roughly every two to four months on average, suggests that the KFTC is under significant pressure to launch investigations into U.S. firms. Indicative of this low and arbitrary threshold for action, the KFTC often launches investigations of U.S. tech firms in the lead-up to the Korean National Assembly audit—a high-profile investigation of both regulators and firms in September and October. Following the audit, at which KFTC leaders are typically grilled about what they are doing to combat U.S. “big tech,” the commission often conducts a series of intensive on-site investigations and interviews.

As a result of this low threshold, firms have noted investigations launched into minor technical or business decisions that are clearly not anti-competitive, such as ceasing orders or relationships that are unprofitable. Firms report that early-stage KFTC interviews often primarily consist of basic questions about the functioning of certain products or services or the basic structure of a market in South Korea—questions that other regulators would answer themselves well before launching a formal investigation. Firms have also highlighted that the KFTC appears responsive to complaints from Korean firms, particularly in cases where the U.S. firm is a new entrant to a market dominated by a Korean firm. This situation is ironic given that competition law is designed specifically to protect such entrants.

KFTC investigations can span years and often overlap or recur, draining resources and disrupting

normal business operations—particularly when multiple separate investigations target a single firm simultaneously. The agency’s justification is that this is due to the broad scope of laws it enforces; the need to protect complainants; staffing constraints, including a lack of legal, economic, and technology expertise; and the involvement of new technologies, which makes it hard to determine whether a law has been broken. The KFTC’s lack of technical competence is reflected in the fact that it often requires firms to process or analyze data in line with its requests—rather than conducting its own analysis—or even to translate documents made public as part of other regulators’ investigations. The latter is a time-consuming process that is generally handled by the regulators themselves. In practice, the combination of a low bar to launch investigations and the long duration of investigatory processes results in a continuous cycle of costly and distracting inquiries, requiring the retention of significant additional in-house legal and compliance staff as well as Korean outside counsel and making it more difficult for key leadership and business staff to pursue beneficial innovations.

Antagonistic enforcement tactics: Dawn raids, office occupation, and staff intimidation. KFTC enforcement is characterized by unnecessarily aggressive tactics, including the *pro forma* use of unannounced dawn raids at the start of an investigation. While U.S. firms describe some interactions with KFTC investigators as respectful, the prevailing experience is one of hostility and pressure to comply. The KFTC conducts additional dawn raids or antagonistic interviews against firms that push back, which firms note as a deterrent to exercising their legitimate rights.

The KFTC’s authority to conduct dawn raids and other investigations is established by Article 81 of the MRFTA and is in itself not a problematic legal authority. While competition authorities in other countries also conduct unannounced on-site

inspections, and these are certainly justified in particular circumstances, firms state that the KFTC is unique in making them a regular, central feature of investigations—suggesting that their role is related not so much to legitimate objectives like the preservation of evidence but more to efforts to intimidate staff, disrupt business operations, or compel the production of information from the U.S. parent company regardless of the justifiability of the request.⁷ The KFTC's use of dawn raids contrasts with common best practices in the United States and elsewhere, where an investigation typically starts with a request for information or interviews.

This is not a new issue. As a result of pushback from the United States, the 2020 amendments to the MRFTA aimed to improve respondents' rights when subjected to dawn raids. Specific provisions include an obligation that the KFTC provide targets of dawn raids with documents explaining the scope, purpose, duration, and methods of the on-site searches. They also include a limitation on dawn raids and interviews after an examiner's report is issued, except upon the filing of a formal application to reinvestigate by the KFTC case team and approval by the commissioners of the KFTC.⁸ However, firms still report that dawn raids are a regular feature of aggressive KFTC actions, can be extended or reinitiated in response to them pushing back against KFTC demands (see below), and often do not include a clear indication of the purpose of the raid or the scope of the investigation—suggesting that, much like with the amendments related to due process, the KFTC has not meaningfully implemented procedural reforms as required by law.

Following a dawn raid, KFTC staff often continue to occupy office space, sometimes for weeks, which makes it difficult for firms to carry on normal business operations. The KFTC often uses the threat of more dawn raids during interviews and investigations to encourage firms not to push back against broad requests for information (RFIs) or

other enforcement activities (see below). In many cases, KFTC officials do indeed return for additional on-site investigations and interviews.

During dawn raids and subsequent investigations, staff are subjected to intense, prolonged interviews, often at both company offices and KFTC premises. They are frequently required to sign KFTC-prepared statements before being allowed to leave. Staff recount cases where investigators scream at their legal counsel and demand access to employee devices, even when this is physically impossible because passwords from staff who are not present are unavailable. The psychological toll can be significant. The situation is made more challenging because the KFTC often threatens individual employees with criminal obstruction of justice charges if they do not comply with KFTC requests, even when the requests are overly broad or not relevant to the investigation, forcing them to sign statements confirming that they are personally refusing a KFTC request and that they are aware that this may amount to obstruction. The ability of U.S. firms to defend themselves is all the more challenging because the rules of what constitutes obstruction of an investigation in South Korea are unclear, giving the KFTC broad leverage to use the threat of an obstruction charge to coerce or intimidate employees into compliance.⁹

Overly broad information disclosure requirements and risks to proprietary data. The KFTC has broad (and largely unconstrained) authority to request and seize huge amounts of information during raids and investigations, in contrast to other jurisdictions. Firms do not have the same legal avenues available in the United States and elsewhere to take regulatory agencies to court to challenge their requests for information and thus compel them to narrow their requests to what is relevant to the investigation. In South Korea, firms face repeated, broad, and onerous requests for data and information from the KFTC, including demands for highly sensitive proprietary data such as source code. Unlike the

U.S. Federal Trade Commission, which allows for negotiation and legal counsel participation, the KFTC's approach is described as pushing for a "floodgate" of information. Firms report that the information-gathering process is intense and not in line with best practices for discovery in international contexts. Moreover, it is very difficult to limit the scope of information requests via engagement with KFTC authorities, which is the only realistic option given the lack of recourse to the courts. Firms are concerned that these unconstrained information requests not only impose a heavy administrative burden but also expose them to risks of competitive harm, reputational damage, and the loss of intellectual property.

KFTC information requests are often numerous and vaguely defined. Some firms noted that they receive more requests for information from the KFTC than from any other competition authority. At the level of the individual request, the KFTC's requests are often expansive in scope, such as for all the emails and documents from an employee over the last several years—without any limitations relating to the scope of the investigation. The volume of required disclosures is therefore immense and far beyond the standard for other regulators, with firms submitting thousands of files and hundreds of gigabytes of data. During a dawn raid, the KFTC's official notice of investigation is often very vague, making it difficult for firms to understand what requested information might even be out of scope. The impact of complying with these frequent and broad requests for information is that when multiple agencies are involved, the requests often overlap, compounding the impact. This process can be repeated several times over the course of a few weeks as agencies issue new requests for information. The impact can extend beyond South Korea to emails, documents, and guidance from outside the country (i.e., from a firm's headquarters staff), which poses additional concerns relating to internal review and compliance.

The KFTC's broad powers to request whatever information it wants is made more problematic for U.S. firms trying to defend themselves because attorney-client privilege is not recognized in South Korean law.¹⁰ This differs from major common law jurisdictions like the United Kingdom, the United States, Australia, and other countries, where there are blanket protections for communications between an attorney and a client. While civil law jurisdictions have their own legal procedures for protecting the confidentiality of attorneys' advice, firms suggest that these are insufficient in practice when it comes to KFTC investigations, particularly in the context of wide-ranging RFIs—and especially when the RFIs target information from staff outside South Korea. The KFTC can, without recourse or any meaningful protection, see the legal advice that a firm's in-house or external legal counsel has prepared as part of the firm's efforts to defend itself against the KFTC. This may include analysis of the strengths and weaknesses of their legal defense strategy. There have been cases where the KFTC uses as evidence documents that reflect legal advice from a firm's attorney.¹¹ A secondary impact of the lack of attorney-client privilege is a chilling effect under which employees are discouraged from seeking legal counsel for fear that consultations could be used as evidence against them. The impact on a firm's employee conduct is further compounded by the KFTC's unique predilection toward leveraging criminal sanctions as a supplement to its civil proceedings. Ultimately, this makes it harder for firms to comply with South Korean law.

The KFTC's expansive requests are also often made with unreasonably short deadlines. Requests can involve hundreds of documents and gigabytes of files physically located both in South Korea and elsewhere that the U.S. firm's in-house and external legal counsel—including U.S.-based counsel for documents relating to the U.S. headquarters—need to identify, gather, assess for relevance, and transfer.

Moreover, the KFTC is unique in, on occasion, asking firms to process or analyze data for them rather than simply provide the commission with access to raw data (as is the norm in other jurisdictions). When firms push back against the production of a particular document or set of documents (e.g., because they see it as irrelevant to the investigation) or when they ask for an extension to produce the requested information, the KFTC often responds—as discussed above—by claiming that the individual employee is obstructing the investigation.

Broad, exploratory investigations targeting unspecified or nebulous harms. Firms—both U.S. and others—report that the KFTC is not transparent and upfront about the scope or focus of its investigations and that they often lack, at the outset, a specific theory of harm or allegation of anti-competitive misconduct.¹² When the KFTC turns up at a dawn raid, the official notice that the firm is under investigation often only includes broad and vague statements and ambiguous terms. Furthermore, firms lack legal avenues to understand, respond, and challenge the basis for and allegations within a KFTC investigation. These factors undermine firms' due-process rights and allow the KFTC to move the goal posts throughout an investigation, shifting its scope or focus on a whim and making it significantly more difficult for firms to prepare a defense.

The lack of transparency about the purpose and scope of investigations makes it very difficult for firms to defend themselves and to ensure that the investigation and requests for information and interviews relate to specific alleged misconduct. Firms often must piece together information from interviews and informal discussions to surmise, frequently well after the start of an investigation, the central focus and overall scope of an investigation. In addition, firms bear the cost of managing ambiguous investigations that stem from the KFTC's unwillingness to use other forums and tools to improve its understanding of technology and

market dynamics before launching an investigation. Compounding the difficulty, firms note that the KFTC makes it unreasonably difficult to arrange a formal meeting for an open and meaningful discussion about the scope of an investigation and to provide an opportunity for firms to respond to the allegations and related evidence.

Firms suggest that the lack of transparency is not merely a procedural deficiency but rather a purposely ambiguous attempt to put together large-scale "fishing expeditions" where, at the end, the KFTC too often determines that everyone is guilty of something. The intentional ambiguity of many KFTC investigations is reflected in a clear lack of understanding of basic details about certain technology or market dynamics, and thus an inability to articulate in what ways a firm's conduct might be anti-competitive. According to some firms, the KFTC has initiated investigations only to find out that the product or service at the center of the investigation is not even offered in South Korea. It has nevertheless continued to investigate separate products or services rather than simply dropping the investigation. In some cases, U.S. firms report that this leads the KFTC to search for and issue substantial penalties for minor infractions, presumably to justify the opening of an investigation even when anticompetitive behavior is not found.

Criminal investigations as a threat after the closure of a KFTC case. A unique and deeply troubling aspect of the KFTC's behavior is the increasing willingness of South Korean authorities to regularly refer targets for criminal prosecution (in addition to administrative sanctions). This feature of the Korean competition regime is seen as an outlier globally and creates a chilling effect on business operations and decision-making. Another distinct feature is that administrative enforcement under South Korea's MRFTA targets only corporations, whereas criminal enforcement can also target individuals. Criminal sanctions can therefore be

imposed on top of administrative enforcement, as an additional layer.¹³ Firms see the KFTC's use of the threat of criminal referral as a key tool in its efforts to intimidate firms and their employees to provide whatever information it wants and to not push back against overreach. The normalization of criminal referrals in competition enforcement stands in stark contrast with the practices of other major jurisdictions.

The MRFTA has long allowed the prosecution authority to enforce competition rules, including abuse without dominance, either upon the KFTC's referral or independently of the KFTC's enforcement actions.¹⁴ After civil legal proceedings (involving fines or other legal remedies) are concluded, the prosecutorial authority can review the same case for criminal liability, exposing employees and executives to personal risk, including prison time, for business practices that are not criminalized in other jurisdictions. The KFTC has guidelines that set criteria for filing criminal complaints against companies (legal entities) or individuals.¹⁵

However, U.S. firms note that the KFTC uses criminal sanctions, and just as importantly the threat of them, much more regularly now than in the past and to cover a wider range of conduct than in other comparable jurisdictions. Before, there was generally a low risk of criminal sanctions for allegations that a firm abused its market dominance via vertical conduct (i.e., anticompetitive practices involving firms at different levels of a supply chain). According to a news article based on a National Assembly report, from July 2022 to June 2023 (the first year of former president Yoon Suk Yeol's administration), the number of referral requests by the criminal prosecution authority increased fivefold compared with the previous year.¹⁶ The impact of potential criminal sanctions extends beyond the KFTC. Even if the KFTC decides not to criminally refer a firm's employees, other Korean regulatory agencies, such as the Chair of the Board of Audit

and Inspection, the Ministry of SMEs and Startups, and the Administrator of the Public Procurement Service, can also initiate investigations.¹⁷

Criminal enforcement is an area where South Korea stands out and apart from global best practices in relation to competition enforcement. As one Korean academic describes this feature: "in modern, liberal, and democratic countries, criminal sanctions, including imprisonment, for competition law violations (aside from hardcore cartels) are certainly uncommon. Only a few countries permit the use of criminal sanctions, and even fewer jurisdictions actively enforce them. South (not North) Korea, notably, is one of these rare exceptions."¹⁸

Concerns about the KFTC targeting U.S. firms, but not similarly situated Chinese ones. More recently, there are growing concerns that the KFTC targets U.S. firms more aggressively than Chinese or domestic companies. Some U.S. firms, but not all, report signs of a pattern of selective enforcement, with KFTC investigations disproportionately targeting U.S. companies while overlooking Chinese competitors operating in South Korea, regardless of their relative market share. In practice, this means that U.S. firms that have entered the Korean market began to face KFTC scrutiny sooner than Chinese competitors that are now entering and gaining market share—without similar headwinds from the KFTC. Firms report anecdotal evidence that the KFTC gives Korean and Chinese competitors more leeway for policies and business arrangements for which U.S. firms are often investigated and fined. Some U.S. firms attribute this to strong political and commercial ties between Chinese firms and Korean conglomerates, as well as government influence in choosing "winners and losers" in the market. However, much of the evidence thus far is circumstantial, based on enforcement patterns and stakeholder perceptions rather than explicit regulatory bias. The KFTC's potentially biased treatment of U.S. firms will likely remain a key point

of interest, given the ever-increasing number of KFTC enforcement actions and the global expansion of Chinese firms, which are seeking to tilt the playing field in their favor and against U.S. competitors.

Recent Developments Under Lee Jae-myung

Despite having vowed in his unsuccessful 2021 presidential campaign to reduce the regulatory burden on foreign companies, following his victory in the 2025 election, President Lee Jae-myung has indicated his intent to pursue an increasingly aggressive approach to competition policy enforcement.¹⁹ Given the KFTC's attentiveness to political signals, this will almost certainly result in intensified investigations into U.S. firms. The KFTC's new chair has pledged to ensure that enforcement activities are in line with South Korea's international obligations, particularly toward the United States, but this is yet to be demonstrated.²⁰

Beyond enforcement, the KFTC has seized on the momentum provided by the new Lee administration to pursue legislative initiatives that would expand its powers, undermine the protections promised (but not enacted) in the previous MRFTA amendments, and enact targeted, *ex ante* restrictions on U.S. firms that would legally enshrine the unfair treatment that these firms have reported already exists in practice. Despite previous efforts to introduce a bill modeled on the EU Digital Markets Act in the form of the Platform Competition Promotion Act stalling due to intense pushback from a wide range of stakeholders, rather than abandoning its efforts, the KFTC instead has attempted to push substantively similar measures in the form of further MRFTA amendments.²¹ At the beginning of the Lee administration, Democratic Party lawmakers introduced the Online Platform Fairness Act and urged rapid passage of the bill before U.S. firms could raise concerns. This iteration of the KFTC's efforts is, in many respects, even broader

than previous legislative proposals—providing the KFTC with wider latitude in deciding which firms to target, expanding the scope of KFTC enforcement to smaller entrants, and placing a broad range of commercial practices under the microscope of KFTC scrutiny.²²

The elevation of competition policy issues to a major U.S. priority in tariff negotiations and the ongoing work to conclude a bilateral agreement has, fortunately, led to a postponement of these legislative efforts.²³ The willingness by the U.S. administration to highlight its—and the U.S. private sector's—concerns about the proposed bills represents a welcome new step in what is now a years-long saga of working to hold the KFTC to account. However, it is clear from the repeated re-emergence of similar legislative proposals in different costumes that the KFTC will continue to pursue its agenda even in the face of staunch domestic and international opposition. As such, it is important to highlight the trade-restricting nature of not only the desired legal outcome but also ongoing activities.

Why Korea's Approach to Competition Policy Enforcement Is Protectionist and a Non-Tariff Barrier to Trade

South Korea is not unique in having an active competition policy authority. Each country has a right to regulate competition and other digital policy issues, but this needs to be balanced with rule-of-law safeguards and international trade obligations. This right should not be exercised without sufficient legal and procedural protections, limits, and safeguards. As outlined above, KFTC enforcement activities clearly impede U.S. firms' ability to engage in free and fair business and trade in South Korea. Several factors, taken together, show why the KFTC's conduct breaches the threshold in becoming a non-tariff barrier to trade, especially when compared with practices in other advanced economy jurisdictions.

At the heart of the issue is that the KFTC undermines firms' fundamental legal rights, especially relating to due process and procedural fairness, which impacts their ability to compete fairly in South Korea. U.S. firms operating in the country lack many of the same legal and procedural safeguards that they possess in most other advanced economy jurisdictions, which imposes significant costs and risks to doing business. Compounding this, U.S. firms are singled out with numerous and consistent investigations and feel disproportionately targeted compared with Korean firms—further enhancing their costs and tilting the playing field against them. The KFTC has proved it is willing to target U.S. firms even when they are new and minor (from a market share perspective) players in a market in South Korea. U.S. firms recognize that Korean chaebols are also investigated, but most think this happens less frequently or consistently. If U.S. firms had access to strong legal protections and safeguards (as in other comparable jurisdictions) to defend themselves against the KFTC, frequent investigations would be less of an issue because spurious allegations could easily be thrown out. However, this is clearly not the case, despite prior efforts by the United States to push South Korea to live up to its KORUS commitments and make legislative and procedural changes to how it enforces competition law. This lack of safeguards ultimately enables and facilitates unfair treatment, making it *de facto* a non-tariff barrier.

The KFTC's ambiguous, broad, and aggressive investigations compound the impact on U.S. firms' ability to enter and compete in Korean markets on fair and level terms. U.S. firms face major direct and indirect costs in trying to manage KFTC investigations while maintaining normal business operations. The KFTC's broad power, combined with the low bar to launch investigations, means that once an investigation begins, regardless of the alleged misconduct, firms will have to spend significant resources in providing information,

engaging with the KFTC, and fighting the charges. Despite this, fines or penalties nevertheless feel inevitable to targeted firms—requiring them to then either accept and pay that additional direct cost or incur additional costs to fight the penalty in court. Korean authorities' ability to launch criminal investigations against firms and individuals is another unique factor that compounds the impact of the KFTC's targeting of U.S. firms—a threat that, even if not exercised, provides a powerful incentive for firms not to fight back against overreach.

Many Korean firms and other stakeholders consider the KFTC's approach as normal and are inured to these behaviors despite their clear divergence from global best practices. Some even characterized it as the cost of doing business in South Korea, quipping that it is not “pay to play” but “pay the violation to play.” Firms report that Korean counsel have suggested that they should just accept the premise of the KFTC's actions, go through the motions of an investigation, decline to resist, pay the fine or take the legal remedy, and move on, preparing for further investigations in the future. While the KFTC's conduct may appear normal for South Korea, it is certainly not normal when compared with other jurisdictions, particularly OECD members. Ultimately, the fact that Korean firms and stakeholders consider the KFTC's conduct as normal still does not detract from the fact that it has elements that are protectionist barriers to trade.

While many Korean chaebols are also KFTC targets, they benefit from political and industrial policy support that—as shown above—can play a role in the KFTC's decision about whether to launch an investigation. Moreover, the fact that the chaebols are headquartered in South Korea means that they tend to push back less against KFTC actions, preferring to instead engage politically and thereby receive lighter treatment. Since U.S. firms cannot make a similar tradeoff, this *prima facie* represents a non-tariff barrier against them.

Korean chaebols also clearly benefit from the KFTC focusing more on U.S. firms. The “cost of doing business” calculation is very different when one is an incumbent company as opposed to a new and foreign entrant. The fact that several U.S. firms have significantly lower market share in South Korea than in other comparable markets—making the country a clear global outlier, even to other jurisdictions with strong, active, and well-developed competition policy regimes—points toward the protectionist impact of Korean regulations in favor of local firms. The prevalence of highly concentrated local industries and conglomerates in South Korea played a direct role in the development of an active competition regulatory authority. Ironically, given the impact on domestic competition, the KFTC now seems focused less on its original *raison d’être* and more on serving as a bulwark against foreign market access and competition. Future research will seek to quantify the magnitude of the lost market share for U.S. firms resulting from this differential treatment, but early estimates suggest that it easily exceeds several billion dollars.

U.S. and Korean stakeholders see several societal, political, institutional, media, and industrial policy elements contributing to the targeting of U.S. tech firms in South Korea. Firms have noted that the KFTC often wishes to be seen as responsive to the regular Korean media pressure to be tough on U.S. “big tech.” Although such media pressure is not in itself unique or unfairly protectionist, the launching of politically motivated, costly investigations in response certainly is. Ironically, the South Korean government, media, and regulatory authorities are also sensitive to the perception of being left behind or treated differently in the global development of new technology goods and services by international firms. Korean authorities have contacted firms to inquire as to why South Korea is not among the first to receive access to new products or services. Unsurprisingly, because of the lack of safeguards, some U.S. firms see the country as a high-risk

market from a regulatory compliance perspective. This reflects how South Korea’s regulatory approach acts as a clear protectionist barrier to trade in practice: firms are unable or unwilling to sell products or services in the Korean market because of the overreach of the KFTC.

There are also interrelated institutional and political dynamics at play. The KFTC, as clearly demonstrated by its repeated efforts to promote new legislation, wants to expand its regulatory authority over online platforms, in part by displacing other sector-specific regulatory agencies (which tend to push back against the KFTC’s efforts). This explains, in part, the push for *ex ante* regulation. There is rivalry among regulatory agencies and conflict as it relates to their ambitions to grow. The Korean National Assembly (through its annual audit) is seen as a driving force for regulators and like-minded lawmakers to set (or at least be seen as setting, given the prevailing media narrative) a tough regulatory agenda to target U.S. tech firms. If the National Assembly calls for action, the KFTC reacts to advance its institutional interests—regardless of the evidentiary basis. Lawmakers and the KFTC work together on legislative proposals, in part because they want to protect themselves from media and public criticism that they do not do enough to target U.S. tech firms. This dynamic leads to the situation described above wherein U.S. tech firms brace for investigations and dawn raids right before and after the annual National Assembly audit.

The KFTC shows a strong deference to industrial policy objectives, further suggesting its role as a protectionist agency. U.S. and Korean stakeholders commented that when South Korean policymakers and regulators often state that their goal is to protect and promote small or medium-sized firms and competition, what they really mean is local industry and firms. This extends to legislative proposals regarding platforms and artificial intelligence. South Korea’s problematic track record in enacting protectionist digital policies also provides critical

context for assessing its competition policies. For example, South Korea is unique in the world in that it precludes U.S. firms from transferring mapping data out of the country.²⁴ Its protectionist approach to the public cloud is also representative. The Cloud Security Assurance Program is unique among OECD members in requiring cloud providers to physically separate services for public- and private-sector clients; to exclusively use equipment, resources, and personnel in South Korea; to only store data in South Korea; to use a Korea-specific encryption algorithm; and to exclusively rely on Korean National Intelligence Service certification for key infrastructure.²⁵

The combination of targeted investigations, disproportionate costs faced by U.S. firms as a result of this regulatory environment, and alignment between the KFTC and other Korean industrial policies clearly indicates that KFTC actions function as a non-tariff barrier, protecting Korean firms—even those that themselves face a degree of KFTC scrutiny. As the Trump administration and U.S. Congress continue to focus on non-tariff barriers to trade, the concerns identified by firms interviewed for this report should remain a policy priority.²⁶ ∞

Endnotes

- ¹ “USTR Requests First-Ever Consultations under the U.S.-Korea Free Trade Agreement (KORUS),” Office of the U.S. Trade Representative, Press Release, March 15, 2019, <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2019/march/ustr-requests-first-ever>.
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Exhibit 8:
CPNG-HJC119-0000435
The Korea Herald Article “Spy Agency
Requests Natl Assembly to Charge
Coupang Chief Over Alleged Perjury”

Spy agency requests Natl Assembly to charge Coupang chief over alleged perjury

Published : 2025-12-31 09:16:52



Harold Rogers, interim CEO of Coupang Corp., attends a parliamentary hearing at the National Assembly in Seoul on Tuesday. (Yonhap)

The National Intelligence Service on Tuesday dismissed the interim chief of Coupang Corp.'s claim that the company conducted an internal probe into a massive data leak upon its order and requested the National Assembly to file a complaint against the executive over alleged perjury.

The move came after Harold Rogers, interim CEO of Coupang, claimed in a parliamentary hearing that the online retailer investigated the incident in accordance with the NIS' order and that the spy agency also instructed the company to get in touch with the person who leaked user information.

"(The NIS) has requested the National Assembly, which has the right to file a complaint, to take such action ... against the Coupang chief executive on charges of perjury," the NIS said in a press release.

The spy agency said the executive's remarks on the NIS giving orders to Coupang is "groundless," saying it has not given any instruction, order or approval to Coupang, with the exception of requesting information, nor is it in the position of taking such action.

On the Coupang executive's remarks that the NIS ordered the company to get in contact with the person who leaked the data, the spy agency said it emphasized "multiple times" that Coupang should make the final decision when asked about the move.

"We sternly warn Coupang that its chief executive's false remarks are a grave matter that undermines trust in a state institution," it said.

The NIS did not elaborate on what advice or feedback it provided to Coupang on getting in touch with the person who leaked the data or securing forensic images.

The government reaffirmed Tuesday that the major data breach at the U.S.-listed e-commerce giant affected 33 million customers in South Korea, nearly two-thirds of the country's population.

On Monday, the company announced a compensation plan after Coupang founder Kim Bom-suk issued his first public apology since the incident, but the plan has drawn criticism from consumer rights groups, which described it as little more than a marketing strategy aimed at encouraging additional purchases and renewed memberships. (Yonhap)

<https://www.koreaherald.com/article/10646470>

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Exhibit 9:
CPNG-HJC119-0000437, page 439
December 30 NIS Press Release
Requesting Perjury Charges

I, [REDACTED] certify that I am competent to translate from Korean into English and that the translation below of the NIS press release is true, accurate, and complete to the best of my knowledge. This translation has been reviewed and verified by a human translator. If you have any questions regarding the translation, please contact me via the email address below.

Typed Name: [REDACTED]

Qualifications: Professional Translator with an MA in Translation, Seoul, Korea

Email: [REDACTED]@coupang.com

Date: February 4, 2026

[Translation of the NIS press release]

[Letterhead of the NIS]

Press release

Tel. 02-2210-8007

December 30, 2025

The National Intelligence Service (“NIS”) Requests the National Assembly to File a Criminal Complaint against Coupang’s CEO for Perjury.

- The series of statements by Coupang’s CEO, including those regarding “investigation instructions from the NIS”, are obviously false.

The NIS hereby clarifies its position concerning the demonstrably false statements made by the CEO of Coupang while responding to questions from some committee members during the “joint hearing” of six standing committees held at the National Assembly on December 30.

First, Coupang CEO’s claim that “Coupang did not conduct its investigation independently, but according to the instructions and order of the NIS” is entirely untrue.

Aside from requesting materials, the NIS has never issued any instructions, orders or authorization to Coupang, nor is it in a position to do so.

Second, the claim that “Coupang did not wish to contact the leaker, but the NIS ordered such contact and communication” is also untrue.

On the contrary, in response to Coupang’s request for our opinion on “contacting the leaker,” the NIS emphasized multiple times that “it would be appropriate for Coupang to make the final judgment.”

Third, the claim that “forensic images of the hard drives were also taken as per the instructions of a government agency” is also untrue.

Prior to the time when the NIS contacted Coupang on site to facilitate the secure transport of IT equipment already retrieved by Coupang from the leaker (*i.e.*, December 17), Coupang had already independently duplicated the copies of the images (*i.e.*, December 15), and the NIS was completely unaware of this until its contact with Coupang on December 17.

Exhibit 10:
CPNG-HJC119-0000440, pages 448-454
Harold Rogers Criminal Complaint

Criminal Complaint

1. Complainant

- Name: Choi Min-hee, Chairperson of the Science, ICT, Broadcasting, and Communications Committee of the National Assembly
- Address: The Science, ICT, Broadcasting, and Communications Committee of the National Assembly, 1 Uisadang-daero, Yeongdeungpo-gu, Seoul (Room 630, Main Building)
- Tel: [REDACTED], Fax: [REDACTED]

2. Accused Party

Name	Occupation	Address	Contacts
Harold Rogers	Coupang CEO	[REDACTED]	-

3. Purpose of Complaint

The Science, ICT, Broadcasting, and Communications Committee of the National Assembly intends to file a criminal complaint against the Accused Party in accordance with Article 15 of the Act on Testimony and Appraisal in the National Assembly on charges of perjury, etc. under Article 14 of the same Act.

4. Facts of the accusation

- ☐ The Science, ICT, Broadcasting, and Communications Committee of the National Assembly held a hearing on “Coupang’s infringement incident, personal information leak, unfair trade practices, and labor environment and to establish measures to prevent recurrence” on Tuesday, December 30 and Wednesday, December 31, 2025. The committee requested the Accused Party to appear as a witness in accordance with the procedures set forth in Article 5 of the Act on Testimony, Appraisal, etc. in the National Assembly. The Accused Party appeared in the Science, ICT, Broadcasting and Communications Committee hearing room in accordance with Article 2 of the Act on Testimony, Appraisal, etc. in the National Assembly and took an oath as a witness.

- Regarding instructions for copying forensic images

- ☐ At the hearing on Tuesday, December 30, 2025, the Accused Party made a statement in response to Rep. Hwang Jeong-ah's questioning that "forensic images were collected under the direction of a government agency," but the National Intelligence Service asserts that this is a clear false statement.
- ☐ According to the National Intelligence Service, Coupang had already begun collecting images on December 14, 2025, between 22:00 and 24:00, and the National Intelligence Service only learned on December 16, 2025, that Coupang had obtained the hard drive from the suspect.
- ☐ The National Intelligence Service (NIS) staff arrived at the scene at around 17:30 (China time) on December 17, 2025, believing that only the original hard drive was present, in order to support the safe domestic transport of the original hard drive. However, the NIS's position is that there were "four original hard drives" and "four copies" of which Coupang had already collected images. Considering this, the Accused Party's statement that he collected forensic images under the direction of a government agency appears to be a false statement that is different from the facts.

*See page 64 of the minutes of the 5th Science, ICT, Broadcasting, and Communications Committee of the 430th National Assembly (Extraordinary Session) (December 30th)

- Regarding permission to store copies of forensic images

- ☐ Additionally, at the hearing on Tuesday, December 30, 2025, in response to Rep. Hwang Jeong-ah's questioning, the Accused Party stated that "the intelligence agency allowed us to make a separate copy for our possession," but the National Intelligence Service asserts that this is also a clear false statement.
- ☐ The National Intelligence Service supported the safe domestic transport of eight items (four originals and four copies) that likely contained personal information of a large number of citizens, and delivered the entire condition of the items to Coupang in Korea at approximately 11:00 AM on December 21, 2025. Coupang submitted only four originals to the Cyber Investigation Division of the Seoul Metropolitan Police Agency at approximately 2:30 PM on the same day. The National Intelligence Service requested re-copies of four copies on the same day, and Coupang submitted the re-copies to the National Intelligence Service at around 23:00 in accordance with this request.

- ☐ Therefore, it is not true that Coupang copied with permission from a government agency or kept a copy with permission from a government agency. Rather, the National Intelligence Service requested a recopy of the copy Coupang had kept and received a recopy, and so the Accused Party's statement appears to be a false statement that is different from the facts.

* See page 65 of the minutes of the 5th Science, ICT, Broadcasting, and Communications Committee of the 430th National Assembly (Extraordinary Session) (December 30th)

- Contact with suspect

- ☐ In addition, at the hearing on Tuesday, December 30, 2025, the Accused Party made a statement in response to Rep. Hwang Jeong-ah's questioning that "Coupang did not want to contact the suspect, but contacted the suspect because they had to follow the instructions and orders of the National Intelligence Service." However, the National Intelligence Service asserts that this is a false statement.
- ☐ According to the National Intelligence Service, the first time a National Intelligence Service agent met with a Coupang official was on December 1, 2025. At the time of the first meeting, Coupang confided to the National Intelligence Service agent, "We have inquired with the police about going to China to meet the suspect, but the police are against it and we cannot do so". Coupang had been planning to contact the suspect on its own even before the first contact with the National Intelligence Service.
- ☐ The National Intelligence Service asserts that it never requested Coupang to contact the suspect, as Coupang did not wish to contact the suspect. Therefore, the Accused Party's claim that he contacted the suspect under the direction and order of the National Intelligence Service appears to be a false statement that is different from the facts.

* See page 64 of the minutes of the 5th Science, ICT, Broadcasting, and Communications Committee of the 430th National Assembly (Extraordinary Session) (December 30th)

- Regarding government directives

- ☐ Additionally, at the hearing on Tuesday, December 30, 2025, the Accused Party made a statement in response to Rep. Hwang Jeong-ah's questioning that "we did not conduct the investigation on our own, but rather conducted it under government direction," but the National Intelligence Service asserts that this is a false statement.

- ☐ The National Intelligence Service asserts that it has not given any instructions or orders regarding Coupang's internal investigation, and that it is not in a position to issue such instructions. Furthermore, pursuant to Article 5 of the National Intelligence Service Act, it only requested Coupang's cooperation orally on December 1, 2025, and in writing on December 2, 2025. The company's position is that it only requested cooperation from Coupang through an official document.
- ☐ The National Intelligence Service's position is that the oral request for cooperation on December 1, 2025, requested submission of data and cooperation in the investigation to confirm the security threat posed by the large-scale personal information leak by foreigners, and the official request for cooperation on December 2, 2025, simply requested cooperation in submitting related data for analysis of the cause of the damage and response measures. Therefore, according to the National Intelligence Service, this content does not include an order for Coupang to conduct a self-investigation, and so the Accused Party's claim that he conducted a self-investigation in accordance with government instructions and orders appears to be a false statement that is different from the facts.

* See page 63 of the minutes of the 5th Science, ICT, Broadcasting, and Communications Committee of the 430th National Assembly (Extraordinary Session) (December 30th)

- Regarding review and discussion of the contents of the resignation letter

- ☐ Additionally, at the hearing on Wednesday, December 31, 2025, the Accused Party stated in response to Rep. Ahn Ho-young's questioning that "all of our contracts comply with the law and have been reviewed by the Ministry of Employment and Labor and the Ministry of Land, Infrastructure and Transport", but the Ministry of Employment and Labor and the Ministry of Land, Infrastructure and Transport assert that this is not true.
- ☐ Commissioner Ahn Ho-young's question was that the phrase in Coupang's resignation letter, "severance pay may be restricted under certain conditions (such as failure to provide an IRP account)", was against the spirit of the Korean Labor Standards Act and the Severance Pay Act. However, the Accused Party stated that it complied with the law and went through the review process of the Ministry of Employment and Labor and the Ministry of Land, Infrastructure and Transport.
- ☐ In response, the Ministry of Land, Infrastructure and Transport denied that the resignation letter was reviewed or discussed in advance, stating that it is not under the jurisdiction of the Ministry of Land, Infrastructure and Transport, and the Minister of Employment and Labor responded that there is no legal provision that can restrict retirement pay due to failure to provide an IRP account, and that he was not aware of whether this form was discussed. Therefore, the Accused Party's claim that the contents of the contract (resignation letter) complied with the law and were reviewed by the relevant ministries appears to be a false statement that is different from

the facts.

* See pages 96-97 of the minutes of the 6th Science, ICT, Broadcasting, and Communications Committee of the 430th National Assembly (Extraordinary Session) (December 31)

- Regarding the order to analyze CCTV footage in the event of a worker's death at the Chilgok Logistics Center

☐ At the hearing on Tuesday, December 30, 2025, in response to Rep. Lee Yong-woo's questioning, the Accused Party stated, "This document was submitted by an employee whose contract was terminated due to workplace bullying, and I have not been able to confirm its authenticity". However, when looking at the lawsuit records between Coupang and the dismissed executive (then Chief Personal Information Officer), this appears to be a false statement.

☐ During his questioning, Rep. Lee Yong-woo pointed out that the Accused Party attempted to downplay the incident by presenting an email that appeared to have been written by the Accused Party at the time of the Chilgok Logistics Center worker's death, which said, "Emphasize that it does not cause physical strain". However, the Accused Party stated, "I was unable to confirm the authenticity of the document (email)" and "I was sufficiently investigated by the Ministry of Employment and Labor and did not hide anything".

* See pages 41-43 of the minutes of the 5th Science, ICT, Broadcasting, and Communications Committee of the 430th National Assembly (extraordinary session) (December 30)

☐ The Accused Party also stated, "Yes, that's correct," in response to Rep. Lee Yong-woo's question asking whether the Accused Party's position regarding the content of a messenger conversation between Coupang Chairman Kim Beom-seok and the Chief Personal Information Officer at the time, in which the Accused Party reported on the CCTV analysis work every hour, was "distorted and fabricated information by the person who filed the lawsuit against the company".

* See page 157 of the minutes of the 6th Science, ICT, Broadcasting, and Communications Committee of the 430th National Assembly (extraordinary session) (December 31)

☐ The emails written by the accused and the messenger conversation records between Chairman Kim Beom-seok and the then Chief Personal Information Officer, which were presented by Rep. Lee Yong-woo in his inquiry, were evidence submitted by the plaintiff in the lawsuit for confirmation of invalidity of dismissal (case number: [REDACTED] filed by the dismissed Chief Personal Information Officer. Coupang's representative (Kim & Chang Law Firm) did not question the authenticity of the evidence in their opinion on the related evidence, and rather stated that it was favorable evidence to the effect that the company's work instructions were justified.

☐ Coupang appears to have been fully aware of the information presented in Rep. Lee Yong-woo's questioning

in advance through the lawsuit filed in 2024, and to have also determined its authenticity. The Accused Party was Coupang's Chief Executive Officer at the time of the incident, and was in a position to fully understand the relevant litigation materials as the legal director before being appointed CEO. Therefore, the statement that "the truth was not verified, the information was distorted and fabricated by the person who filed the lawsuit" appears to be a false statement that is not true.

- ☐ According to the Act on Testimony, Appraisal, etc. in the National Assembly, a witness or appraiser who has sworn under this Act may be punished by imprisonment for not less than one year but not more than ten years if he or she makes a false statement (including a written response) or gives a false appraisal (Article 14). Therefore, it appears that the Accused Party was charged with perjury, etc. because he was summoned to appear as a witness and made a false statement after taking an oath as a witness.
- ☐ As a result of the false statements made by witness Harold Rogers, the National Assembly, the representative body of the people, was unable to accurately grasp the reality of Coupang's infringement incidents, unfair trade practices, and labor environment through witness testimony, which caused significant disruption to the hearing's progress as planned.
- ☐ Accordingly, the Science, ICT, Broadcasting, and Communications Committee of the National Assembly discussed whether to file a criminal complaint against the perjured witness at the 6th meeting (December 31, 2025) of the 430th National Assembly (extraordinary session), and decided to file a criminal complaint against the witness for "perjury, etc." in Article 14, Paragraph 1 of the Act on Testimony, Appraisal, etc. in the National Assembly. Therefore, I hereby file a criminal complaint in accordance with Article 15 of the same Act, and I request that the Accused Party should be punished.

5. Cooperation matters

In accordance with Article 15, Paragraph 4 of the Act on Testimony, Appraisal, etc. in the National Assembly, please conclude the investigation within two months from the date of receipt of this complaint and report the results of the investigation in writing. (Practical matters related to the accusation are handled by the Science, ICT, Broadcasting, and Communications Committee's Administrative Office (02-6788-5234))

6. Attached Documents

- (1) One (1) copy of the SBS News press release.
- (2) One (1) copy of the National Intelligence Service press release (December 30).
- (3) One (1) copy of the NIS's Request for Criminal Complaint.

- (4) One (1) copy of the Coupang message history collection file.
- (5) One (1) copy of the minutes of the 5th Science, ICT, Broadcasting, and Communications Committee of the 430th National Assembly (extraordinary session) (December 30).
- (6) One (1) copy of the minutes of the 6th Science, ICT, Broadcasting, and Communications Committee of the 430th National Assembly (extraordinary session) (December 31). End.

January 16, 2026

**Chairman of the Science, ICT, Broadcasting, and Communications Committee of
the National Assembly**

(Official seal)

[stamp:] Seal of the Chairman of the Science, ICT, Broadcasting, and Communications Committee of the National Assembly

To the Commissioner General of the National Police Agency

Exhibit 11:
CPNG-HJC119-0000455
Transcript of December 31, 2025
National Assembly Hearing

CERTIFICATION

We, the undersigned, hereby certify that a group of professional interpreters and translators holding M.A. degrees in Korean–English interpretation and translation transcribed all Korean- and English-language utterances audible to the human ear, based on the video recordings and taking into account the provisional transcripts available on the official website of the National Assembly of the Republic of Korea. Where statements overlapped or the audio was faint, the transcript was prepared to the fullest extent possible based on what could be heard and on linguistic expertise. We further certify that the corresponding English translation is a true and accurate rendering of the source text.

Should you have any questions or require further information, please contact the undersigned.

February 9, 2026

Certified by: [REDACTED]@coupang.com)
[REDACTED]@coupang.com)

English Translation: Transcript of the National Assembly Hearing (December 31, 2025)

Last Updated: February 9, 2026

(Chairperson Choi Min-hee) Please take your seats and bring the chamber to order.

As a quorum is present, I now call to order the 6th meeting of the Science, ICT, Broadcasting and Communications Committee of the 430th National Assembly (Extraordinary Session).

Please refer to the provided device for the reports. Today's meeting will be broadcast live on the National Assembly Broadcasting Service.

I will now lay before the committee Agenda Item 1: The hearing to examine Coupang's security breach and personal information leak, unfair trade practices, and labor environment conditions, and to establish measures for prevention.

Today's hearing will proceed in the same manner as yesterday's session.

I will now introduce the witnesses and reference witnesses present at today's hearing.

As your name is called, please rise briefly to greet the committee and then be seated.

First, I will introduce the witnesses.

Deputy Prime Minister and Minister of Science and ICT, Bae Kyung-hoon,
Chairperson of the Korea Media and Communications Commission, Kim Jong-cheol,
President of the Korea Internet & Security Agency, Lee Sang-joong,
Former CEO of Coupang, Park Dae-jun,
CEO of Coupang, Harold Rogers,
Chief Information Security Officer of Coupang, Brett Matthes,
CEO of Coupang Eats, Kim Myung-kyu,
Vice President for External Affairs at Coupang, Min Byung-ki,
Vice President for Government Relations at Coupang, Cho Yong-woo,
Vice President for Legal Affairs at Coupang, Lee Jae-gul,
Head of Service Policy at Coupang, Jeon Kyung-soo,
Head of Logistics Policy at Coupang, Roh Jae-guk,
Vice President for Communications at Coupang, Lee Young-mok,
Audit Committee Member at Coupang, Yoon Hye-young.

Next, the reference witnesses.

Minister of Employment and Labor, Kim Young-hoon,
Chairperson of the Personal Information Protection Commission, Song Kyung-hee,
Chairperson of the Korea Fair Trade Commission, Ju Biung-ghi,
Commissioner of the National Tax Service, Lim Kwang-hyun,
Commissioner of NTS Seoul Regional Tax Office, Kim Jae-woong,
Vice Commissioner of the Korea Customs Service, Lee Jong-wook,
Acting Commissioner General of the Korean National Police Agency, Yoo Jae-sung,
Chairman of the Financial Services Commission, Lee Eog-weon,
President of the Korea Consumer Agency, Yoon Soo-hyun,
CIO of the National Pension Service Investment Management, Seo Won-joo,
Professor at Korea University, Kim Seung-joo.

Secretary General of Consumers Korea, Yoon Myung,
President of Korea Internet Law Association, Jeong Pil-un,
President of Korea Mail-Order Business Association, Kim Hong-min,
The reference witness who requested anonymity is scheduled to appear at 2:00 p.m.

Attorney Kwon Ho-hyeon, Representative Attorney of Hyunmyung Law Office, is expected to appear around 11:00 a.m.

Minister Cho Hyun of the Ministry of Foreign Affairs is represented by Second Vice Minister Kim Jina.
Minister Kim Yun-duk of the Ministry of Land, Infrastructure and Transport is represented by Second Vice Minister Hong Ji-sun.

Minister Han Seong-sook of the Ministry of SMEs and Startups is represented by Second Vice Minister Lee Byeong-gweon.

I would like to note that the ministers represented by vice ministers have obtained prior consent from the Chairperson and the executive secretary.

For today's hearing, we requested the attendance of 17 witnesses and 22 reference witnesses.

Among them, three witnesses submitted written statements explaining their reasons for non-attendance and did not appear, and five reference witnesses are absent.

Please refer to the distributed materials for the attendance status of witnesses and reference witnesses, as well as the written statements of non-attendance submitted by the witnesses. The decision on whether to file criminal complaints against the absent witnesses will be made in consultation with the executive secretaries.

Are there any observers present?

Today, we have six observers.

Currently, Ms. Oh Hye-ri, the elder sister of the late Mr. Oh Seung-yong, who passed away while performing dawn deliveries in Jeju.

Also present is Ms. Park Mi-sook, the mother of the late Mr. Jang Deok-jun, who passed away at the Chilgok fulfillment center.

Mr. Kang Min-wook—has Mr. Kang arrived? It says "TBD." Has he arrived?

Mr. Kang Min-wook, Chairperson of the Coupang Headquarters Establishment Preparatory Committee of the Delivery Workers' Union—status shows "TBD." Will he be attending?

We have not been able to reach him yet, but we will continue trying to contact him.

Mr. Kim Jun-ho, the whistleblower on Coupang CFS Blacklist—will he attend in the afternoon? He will attend in the afternoon.

Mr. Jung Dong-heon, the Head of Coupang FC branch, will also attend in the afternoon.

Is reporter Park Hyun-gwang present? Reporter Park Hyun-gwang is also attending as an observer.

The reason we invited reporter Park Hyun-gwang is that yesterday, Representative Kim Nam-geun requested certain materials.

(Rep. Kim Nam-geun) (Mic off) Regarding information request.....

(Chairperson Choi Min-hee) However, Coupang has not yet provided the relevant documents. Specifically, we asked for the list of reporters, civic organizations, and other parties who raised issues about Coupang and were reportedly subject to criminal complaints or legal actions, but that list has not been provided.

So, Mr. Park, you are one of the individuals subject to the criminal complaints, correct? Were you the subject of a criminal complaint?

(Reporter Park Hyun-gwang) (From the gallery) A complaint was filed against me in the past.

(Chairperson Choi Min-hee) That is why we invited Reporter Park Hyun-gwang, who has experienced such a case.

Let me explain the purpose of the oath of witness and the provisions regarding penalties. The purpose of the oath is to obtain a formal pledge from each witness that they will testify truthfully and without concealment, according to their conscience, during the hearing. Please be advised in advance that if a witness refuses to take the oath or testify without justifiable cause, or if they undermine the authority of the National Assembly or commit perjury in the course of their testimony, they may be subject to a criminal complaint pursuant to Article 15 of the Act on Testimony and Appraisal Before the National Assembly.

As for the swearing-in procedure, I first call upon Mr. Harold Rogers, CEO of Coupang, to come forward to the podium, raise his right hand, and take the oath. Once finished, please sign the written oath and submit it to the Chairperson. To the other witnesses: please stand and raise your right hands. Since our reference witnesses are not subject to the oath, they may remain seated. Now Mr. Harold Rogers, please come forward to the podium, raise your right hand, and begin the oath. Witnesses from government agencies, please all rise.

(Coupang CEO Harold Rogers) (Original statement) As I testify before the Science, ICT Broadcasting and Communications Committee of the National Assembly of the Republic of Korea, I hereby swear in good conscience, in accordance with Articles 7 and 8 of the Act on Testimony and Appraisal, before the National Assembly, to tell the truth, the whole truth, and nothing but the truth. I acknowledge that any false testimony or written statement may subject me to penalties for perjury. December 31st, 2025. Coupang, Harold Rogers.

(Chairperson Choi Min-hee) Please be seated.

(Rep. Kim Nam-geun) (Mic off) Chairperson, may I make a remark...

(Chairperson Choi Min-hee) One moment, please. I will grant you the floor shortly.

As today's hearing will be conducted with simultaneous interpretation, I would like to remind everyone once again:

If you speak too quickly or if multiple members speak at the same time, interpreters will not be able to provide accurate interpretation, which may hinder the smooth progress of the meeting. Therefore, we kindly ask you to speak as slowly as possible, even if it may feel inconvenient.

Please also note that any remarks made after the microphone is turned off will not be conveyed to the interpreters and therefore will not be interpreted.

Yesterday, there was some disagreement with Mr. Rogers regarding the use of the interpretation device. You may use the interpretation device and also receive guidance from the interpreter accompanying you.

Before we begin the main questioning, I understand there are members who wish to make remarks. Today, each member will be allotted two minutes.

But before we proceed, Coupang has just submitted what they call “back data.” However, this is the same presentation material that was submitted to the public-private joint investigation team on the 23rd. So, we have received the same materials.

What we requested was not a summarized version prepared by Coupang, but the raw data. That raw data has not yet been provided to the public-private joint investigation team, correct?

(Deputy Prime Minister Bae) We have not received it yet.

(Chairperson Choi Min-hee) The National Assembly has also received the materials submitted on the 23rd. Once again, we request that Coupang provide the raw forensic data from its own investigation. Now, we will proceed in order, starting with Rep. Kim Nam-geun. You have two minutes.

(Rep. Kim Nam-geun) This is not the first time Coupang has engaged in actions that have drawn public criticism; similar incidents have occurred throughout the Yoon Suk-yeol administration. At the end of last year, CEO Park Dae-jun made a pledge to the members of our Democratic Party’s Euljiro Committee that Coupang would no longer engage in socially condemned practices, and that if such issues arose, the company would promptly acknowledge responsibility and refrain from concealing problems.

As a top priority, we demanded that Coupang at least withdraw all retaliatory lawsuits filed against journalists who criticized the company, as well as against whistleblowers, labor union leaders, and civic activists. The company agreed to do so.

We requested Coupang to submit such documentation accordingly, but none has been submitted to confirm whether these lawsuits were indeed withdrawn. This raises serious concerns about whether Coupang is truly committed to socially responsible management as promised.

Now in the U.S., when a company recklessly delays acknowledging responsibility or making compensation, it can be subject to punitive damages. Since lawsuits have already been filed in the U.S., I believe the content of this hearing will probably serve as significant reference material for those proceedings.

Therefore, in order to verify whether Coupang has been concealing information or recklessly delaying acknowledgment of responsibility, we requested materials related to issues such as overwork-related deaths and documents concerning attempts to misappropriate information from vendors to develop private-label products. However, none of these materials have been provided. Although Coupang was fined KRW 168 billion, they have not clearly stated that they will no longer engage in practices such as misappropriating vendor information, manipulating search rankings, and prioritizing the sale of Coupang products. There is still a possibility that such practices continue, which is why we requested these materials for confirmation. When we see this attitude of refusing to provide the requested documents, it suggests an intention to continue such criticized business practices... (Mic off) so I urge Coupang, once again, to submit the materials before this hearing ends.

(Chairperson Choi Min-hee) Next, Rep. Jung Il-young,

(Rep. Jung Il-young) Yesterday, I requested three important pieces of information.

Coupang claimed that its activities in China, where they performed investigative actions, were carried out under government instructions, particularly from the National Intelligence Service. We asked for supporting evidence of this claim, but it has not been provided.

As Coupang was challenged that there was no instruction made by the government, they said it was false, accusing the government of lying. We requested documentation showing who authored that statement using the term “false” and related evidence, but that has not been submitted either.

This is extremely important because it could directly lead to perjury charges. Also when asked about approximately 170 employees dispatched from Coupang Inc. in the U.S. to Coupang Korea, the CEO avoided giving a clear answer, saying he did not know. Our colleague, Rep. Oh Gi-hyoung also requested relevant documentation, but the exact number and the list of names have not been provided. These three pieces of information are critical. Given that they have not been submitted yet, it appears this could inevitably be considered perjury.

Next, regarding the attitude of CEO Rogers when responding – his behavior yesterday was utterly baffling. Instead of apologizing, he even raised his voice and acted arrogantly and dismissively before the National Assembly. When I questioned him, he raised his voice in agitation and even slammed the desk. This was broadcast on TV and reported in newspapers.

The members of the National Assembly present here are representatives of the people and constitutional institution. Mr. Rogers, who disregarded the National Assembly, the Government of the Republic of Korea, and the Korean people, must apologize. And his comments today should be more humble and sincerely apologetic toward the public.

In fact, today's hearing is not about Rogers himself—he only came in as acting CEO on December 10. Our intention was not to question Rogers; Chairman Kim Bom-suk, the owner, is the one who should have appeared. However, since he did not show up, we have no choice but to direct our questions to Rogers. Rogers, if you intend to continue responding in such a manner and disregard the Korean National Assembly, the Korean government, and the Korean people, then you should leave Korea. That seems... (Mic off) like the answer. That concludes my remarks.

(Chairperson Choi Min-hee) Rep. Hwang Jeong-ah—just a moment, let me check. Any members wishing to make a remark, please indicate. We will start with Rep. Jung Il-young and proceed in order.

(Rep. Jung Il-young) (Mic off) I'm done.

(Chairperson Choi Min-hee) Rep. Hwang Jeong-ah, please go ahead.

(Rep. Hwang Jeong-ah) Yesterday, CEO Harold Rogers compounded perjury upon perjury. He raised his voice defiantly, yet behind the scenes, he appears to be engaging in what can only be described as chicanery.

It was clearly reaffirmed yesterday, both in this National Assembly hearing and by the National Intelligence Service, that no instructions or orders were ever issued.

Nevertheless, Mr. Rogers continued to make false and misleading claims that he acted under government instructions.

So our office demanded yesterday that all evidence supporting his claim—whether emails or recordings—be submitted. However, submission is still being refused. These materials must be provided.

Furthermore, Bom Kim currently serves as Chairman of the Board. At a time when such a grave issue is occurring at Coupang Inc., is he watching this hearing? Has he watched it? And what comments did he make after viewing it? We requested the submission of materials on these. Yet, even this simple fact is being withheld from submission.

On top of that, regarding what Mr. Rogers accused the government of concealing... he raised his eyebrows in defiance and said he'd submit the forensic backup data—but that data still has not been provided. Coupang is refusing to answer even whether, out of 33.7 million accounts, how many are withdrawn or dormant; among the 3,000 accounts that Coupang stated had been stored, how many

are withdrawn or dormant; and whether the victims associated with these 3,000 accounts were additionally notified that their personal information had been stored.

That arrogant foreigner, who only cares about protecting Bom Kim and focuses on the U.S., should be immediately accused of perjury. Furthermore, he must be held accountable for contempt toward the public authority of the Republic of Korea. A charge for insulting the National Assembly should also be added.

Please take immediate action to ensure that Coupang submits the materials I have mentioned. That concludes my remarks.

(Chairperson Choi Min-hee) Yes, Rep. Lee Yong-woo.

(Rep. Lee Yong-woo) This is Lee Yong-woo, representing Seo-gu Eul in Incheon.

Yesterday, during the hearing, I presented an email dated October 23, 2020, in which Witness Harold Rogers instructed that the materials submitted to the Ministry of Labor regarding Mr. Jang Deok-jun should place greater emphasis on the point that the job was not physically straining. Mr. Rogers reacted with anger, even going so far as to question whether I had authenticated the email.

Therefore, I will explain how I verified the authenticity of this document and request Coupang to submit its investigation results and all related materials.

The metadata of the email reported by the whistleblower shows a timestamp of October 23, 2020, at 3:02:50 PM. The email I presented yesterday shows a difference of only four seconds. Considering the normal gap between sending and receiving emails, there is absolutely no time for manipulation. Furthermore, the whistleblower has stated through legal counsel that they are willing to submit all email files for forensic examination if an investigation proceeds. There is no reason for the whistleblower to manipulate email files one by one when they are even prepared to undergo an investigation themselves.

Coupang must report its investigation results as to whether the relevant email and Chairman Kim Bom-suk's messenger conversation were tampered with and submit all related materials such as emails and messenger logs before the end of today's hearing.

Second, I request filing a criminal complaint for perjury.

Witness Rogers consistently claimed that he could not verify the authenticity of the messenger conversation in which Chairman Kim Bom-suk instructed the concealment of an industrial accident. However, this is a lie. The conversation was already submitted as evidence in the lawsuit between the whistleblower and Coupang, and I have checked an opinion submitted by Coupang's legal representative, Kim & Chang. Instead of challenging the authenticity, the representative—Kim & Chang—stated in its opinion that... (Mic turned off due to time limit).

(Chairperson Choi Min-hee) Please allow him one more minute.

(Rep. Lee Yong-woo) It instead used the email in making arguments favorable to Coupang.

So this is the material that Coupang itself admitted in court; why is witness Rogers questioning its authenticity here?

The whistleblower has already submitted more than 100 email records as evidence to the court, yet Coupang has neither rejected nor challenged the authenticity of any of them.

The conversation in which Kim Bom-suk instructed the concealment of an industrial accident is among the materials that Coupang already obtained during the litigation process.

Therefore, witness Rogers's statement that he could not confirm the authenticity is clearly perjury. Likewise, witness Park Dae-jun, the former CEO, who answered that he does not recall, also committed perjury.

What the public finds most difficult to accept is the attitude of witnesses Rogers and Park Dae-jun, and of Coupang itself.

Instead of asking back whether the authenticity was verified, Coupang just needs to clearly state its position on these materials. When such suspicions are raised, (Mic off) ... the first thing that should be done is to verify the facts. Instead, you are making irrelevant remarks and muddying the waters like an eel. I strongly request that perjury charges be pursued with respect to this matter.

(Chairperson Choi Min-hee) Rep. Park Hong-bae, please proceed.

(Rep. Park Hong-bae) I am Representative Park Hong-bae. I would like to add further remarks regarding the circumstances suggesting collusion to conceal the industrial accident that led to the death of Mr. Jang Deok-jun in 2020, involving Kim Bom-suk, Park Dae-jun, and Harold Rogers, as mentioned by Rep. Lee Yong-woo.

These emails are highly likely to still remain in the accounts of witnesses Park Dae-jun and Harold Rogers. Even if they attempted to delete all emails to hide evidence, the emails would still exist on Coupang's servers. If you look closely at the email addresses, they are not Naver, Kakao, or Google—they are Coupang.com addresses. These are Coupang's corporate emails. Since they are work-related, Coupang possesses them, and a company's work-related data can be accessed when there is a specific and legitimate reason, such as investigation of misconduct or an incident.

If these emails are not submitted by this morning, our committee will need to regard it as Coupang lying to conceal these emails, despite their authenticity.

But we should not stop here. This is an attempt to hide the accident and their criminal act. The Minister of Employment and Labor and the Acting Commissioner General of the National Police Agency must apply for a search and seizure warrant for Coupang's servers to secure the original emails.

Furthermore, even when these emails are secured, there is still a possibility that they may have attempted to delete the email evidence from the servers. Therefore, forensic experts must accompany the search and seizure to ensure the truth is uncovered. I strongly urge the Chair to make this demand. That is all.

(Chairperson Choi Min-hee) Rep. Oh Gi-hyoung.

(Rep. Oh Gi-hyoung) I have summarized three points among the facts we discussed yesterday that require additional submission or verification of materials.

The first issue: in relation to the personal information leak, whether the management system and security system are being properly maintained. Yesterday, there was a response that this fell short of global standards, and in relation to that, we requested materials on penetration testing and ongoing inspection reports. They said they would provide them but have not done so yet. That is my first point.

The second issue: the scope of actual damage. There is a conflict between the government's position and Coupang's unilateral claim. Since information was announced unilaterally, further review and verification should continue at the level of the joint investigation team. It cannot be based solely on unilateral assertions.

The third issue: whether this matter was recognized as a significant issue or not—whether it was considered a material breach or a material event. The CEO claimed it was not material, not serious. The debate over whether that perception is correct will continue.

Separately, there will be debate over who made decisions and judgments between Coupang U.S. and Coupang Korea. Among them, about 170 people were reportedly dispatched from Coupang U.S. to Coupang Korea. We requested materials on the BOD members, the 170 people, and these are documents that can be provided. These are materials that could be delivered within an hour, yet they are refusing to submit them. I believe they should be provided immediately, within the hour.

And I wonder if there is a misconception that once today ends, this will no longer be a matter of debate. Follow-up actions will be necessary, such as a National Assembly investigation. The National Assembly must continue its oversight, and separately, when the government conducts its investigation, all of these points will be reviewed. This is not a matter that can be resolved by concealing facts; if the facts themselves have been misunderstood, they need to be clarified. Otherwise, this issue will continue to be debated going forward. Therefore, I urge that they be asked to immediately submit any materials that can be provided this morning. That is all.

(Chairperson Choi Min-hee) Rep. Kim Young-bae.

(Rep. Kim Young-bae) I'm Kim Young-bae, representing Seongbuk Gap. What I believe our people felt yesterday was humiliation, a sense of insult.

The Republic of Korea was built on the belief that if you live diligently and honestly, you can proudly live as the rightful owner of this nation. Yet, what must our citizens have been thinking as they watched Coupang's representatives persist in lies and perjury in a hearing where the families of employees who lost their lives in consecutive fatal incidents at this company were present as observers? It is truly disheartening.

Therefore, today, first and foremost, I must respectfully submit to the Chairperson that we should begin by receiving an apology from Mr. Rogers for the arrogant and deeply disrespectful attitude he displayed toward our people in his responses yesterday.

From what I saw yesterday, his remark at the end "Good enough," meaning "let's stop here," is something I believe a witness should never say.

His attitude in yesterday's responses—toward my fellow committee members and toward myself—was consistently confrontational. That is why I believe we must begin by receiving an apology.

Second, I request that the motion for a National Assembly investigation be submitted immediately, within today. I'm the executive secretary of the Foreign Affairs and Unification Committee. I do not know when the investigation results will come out, but if necessary, I believe we must go directly to meet with officials at the U.S. Securities and Exchange Commission. Since this is an American company, and it continues to engage in actions that disrupt market order even in the U.S., we need to ask what measures the U.S. government intends to take regarding such a company... (Mic off) That is all.

(Chairperson Choi Min-hee) Regarding non-attendance at the National Assembly and perjury raised by the committee members, I would like to state that these matters fall under the authority of this committee, and we have already reviewed them and are prepared to take necessary steps.

Secondly, regarding the request for a National Assembly investigation, my understanding was that the Science, ICT, Broadcasting, and Communications Committee had already completed the written request on the 26th and submitted it to the National Assembly on the 29th. However, upon checking, we have now received the signatures of 75 members, which means it is eligible for submission. I would like to state that it will definitely be submitted today.

Next, as for the remaining materials: at the end of yesterday's session, we provided Coupang with the full list of documents requested by the committee members. That was delivered to Coupang, correct? Yes, it was delivered. And what we have received so far is only the forensic summary—the PPT presentation, correct? Nothing beyond that has been submitted.

Frankly, it feels like we are talking to a wall at this point, but let me repeat myself. Please submit the materials.

And regarding Rep. Oh Gi-hyoung's ongoing inspection materials—Rep. Oh Gi-hyoung. The term “ongoing” is somewhat vague, so we concluded that receiving the penetration testing report would serve the purpose. That is why we instructed the Public-Private Joint Investigation Team to obtain the penetration testing report. Deputy Prime Minister, you haven't received it yet, correct? You haven't received the penetration testing report yet, right?

(Deputy Prime Minister Bae) We have only received one penetration testing report prepared by Accenture in March.

(Chairperson Choi Min-hee) In March?

(Deputy Prime Minister Bae) Yes.

(Chairperson Choi Min-hee) So, the incident began in June and continued until November, meaning there were no inspections in between? It was done in March and that was it?

(Deputy Prime Minister Bae) Yes. We requested all materials from the three years of Red Team operations, as well as all penetration testing reports. We have not yet received them.

(Chairperson Choi Min-hee) Yes, so although we have not yet received them, we will treat the ongoing inspection materials as being substituted by the penetration testing report. Please submit it. And regarding what Rep. Kim Young-bae said earlier—that we should begin by receiving an apology for the attitude shown—Let me just reiterate that request.

This hearing is being broadcast live on the National Assembly Broadcasting Service of the Republic of Korea. And the National Assembly Broadcasting Service has a very high viewership. Please keep in mind that those watching are citizens of the Republic of Korea and be mindful of your responses and your demeanor.

Since Rep. Kim Young-bae specifically requested this to Mr. Rogers...

(Rep. Jung Il-young) I requested an apology too.

(Chairperson Choi Min-hee) I strongly request you to pay special attention to your demeanor and the substance of your responses.

(Rep. Yeom Tae-young) Can I begin by requesting materials first?

(Chairperson Choi Min-hee) Yes, please proceed.

(Rep. Yeom Tae-young) Yesterday, CEO Harold Rogers made the following statement: “I am not aware of evidence that nighttime work is more strenuous than daytime work.” This is truly shocking and absurd.

I understand that CEO Rogers has been working at Coupang since 2020, but I wonder if he has any experience in delivery or logistics centers.

I personally visited Coupang's delivery logistics centers twice. Even as a National Assembly member, I was treated coldly—once I was turned away at the entrance, and another time I ended up wandering around inside for 20 minutes trying to find my way. That is the level of disregard I was shown. So I'm wondering whether someone who actually understands what is happening on the ground would say

something like this.

At the fifth session of the Social Dialogue Council on parcel delivery held the day before yesterday, we received an interim report on the study regarding the health risks of nighttime delivery work. According to the findings, consecutive night-shift deliveries should not exceed four days, and night-shift workers experience significantly greater physical strain compared to daytime workers. This is something that is probably just common sense. Regarding the study on the health risks of nighttime parcel delivery work reported on December 29, I would like you to submit the full report.

And from Coupang, I request the following: how many delivery logistics centers there are nationwide, how many workers are employed as delivery workers, and data identifying the top ten and bottom ten delivery zones and service areas by daily delivery volume.

The reason I'm asking is that I'd like to make a proposal to Mr. Rogers. You said that, without ever having experienced parcel-delivery work yourself, you said that you didn't know of any evidence that night shifts are more strenuous than day shifts. I suggest that you feel the reality of that labor firsthand. I will be right there with you. I propose that you and I work a 12-hour overnight delivery shift together. When I look at Coupang, starting from collecting Fresh Bags... (Mic off)

(Chairperson Choi Min-hee) Give him one more minute.

(Rep. Yeom Tae-young) You should experience for yourself how hard it is — dismantling Fresh Bags, sorting parcels, and then making at least two, sometimes three delivery rounds before 7 a.m. — to truly understand the hardships parcel-delivery workers face. We can choose the most difficult delivery zone, or an easier one. Let's set a date and decide which center to work from. I request that you provide the necessary information so we can discuss this before today's hearing ends. That is all.

(Rep. Lee Yong-woo) (Mic off) Chairperson, can I have just one minute to speak...

(Chairperson Choi Min-hee) What is it that you would like to do?

(Rep. Lee Yong-woo) (Mic off) Several members have requested an apology, and I don't believe this is something that can be brushed off with just a warning...

(Chairperson Choi Min-hee) No, let's just leave it at that. We need to proceed with the hearing...

(Rep. Lee Yong-woo) (Mic off) I would like us to at least hear a response before moving on. I'd appreciate about one minute to address the matter...

(Rep. Jung Il-young) (Mic off) I think we should at least hear a response. Yesterday he answered my questions with such arrogance, even banging on the desk — I also believe I'm owed an apology.

(Rep. Kim Woo-young) (Mic off) A forced apology that isn't voluntary... well, that...

(Chairperson Choi Min-hee) We will proceed as is.

(Rep. Kim Hyun) (Mic off) Yes, let's continue.

(Chairperson Choi Min-hee) Once again, Mr. Rogers, the members are asking for an apology. However, in my view, you are still the CEO of a company.

(Rep. Kim Hyun) Chairperson, at least ask him. We should at least ask.

(Chairperson Choi Min-hee) (Mic off) Please stop. We're moving on.

(Rep. Kim Woo-young) (Mic off) Please proceed at your discretion, Chairperson.

(Chairperson Choi Min-hee) All right, we will proceed.

Please be mindful of your demeanor today. Will you offer an apology?

I was concerned he might say something off the point.

Will you simply offer a polite apology? I do not wish to hear anything unnecessary. Are you going to just apologize?

(Coupang CEO Harold Rogers) (Original statement) I have a deep respect for the National Assembly and for this Committee. I would like to make one formal complaint. My team reviewed proceedings from yesterday and discovered translators are not translating my full answers. I'm hearing the penalty of perjury as you remind me many times. I would ask please have translators be allowed to translate my full answers so that you can hear them and so that the Korean people can hear them as well.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have deep respect for the National Assembly of Korea and this committee. There is one thing I would like to say. When we reviewed the procedure yesterday and when I looked at the minutes, I felt that my answers were not being translated completely. You are saying that I committed perjury, but please ensure that the interpreters are able to fully interpret my responses.

(Chairperson Choi Min-hee) Excuse me, stop. Please stop talking.
Representatives, with him, we...

(Coupang CEO Harold Rogers) (Original statement) I also will not be intimidated...
Interpretation not provided

(Chairperson Choi Min-hee) Don't say any more.

(Coupang CEO Harold Rogers) (Original statement) I respect this institution and I represent myself and the company and the hundreds of thousands of Korean employees, and customers, who have been misled by misinformation that is out about their data and about their livelihoods.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I respect the National Assembly, but I am here representing myself and my company. We have hundreds of thousands of employees, and many customers are currently exposed to false information. They are receiving misinformation about their data and their livelihoods.

(Chairperson Choi Min-hee) Now. Please stop. We will conclude here.
(A committee member shouts: "Look, if you're told to stop, then stop!")

(Chairperson Choi Min-hee) Please stop.

(Coupang CEO Harold Rogers) (Original statement) I will not be intimidated by threats of arrest, deportation, travel ban, perjury. I will not be intimidated. Thank you.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) So, about the travel ban and perjury—I absolutely... (Interrupted)

(Chairperson Choi Min-hee) Could you please stop? Stop.
Representatives, this situation was already anticipated. We've met this person three times now at this committee, and there was never any chance he would apologize.

(Coupang CEO Harold Rogers) (Original statement) But will you allow the translators to translate my full answers?

Interpretation not provided

(Chairperson Choi Min-hee) I said no because I believed he would misuse this opportunity in that manner. Now that you've all seen it for yourselves, we will proceed.
Let us start with Rep. Hwang Jeong-ah's questions. In accordance with the agreement with the executive secretary, we will begin with seven minutes. This is to ensure that we can complete one full round of questioning before the end of the morning session. So we will set the time at seven minutes. Rep. Hwang Jeong-ah, please begin your questions. You have seven minutes.

(Rep. Hwang Jeong-ah) I'm Hwang Jeong-ah, representing Yuseong Eul, Daejeon.
Mr. Harold stated that he represents Coupang's Korean corporation.
Yesterday, I showed you data indicating that Coupang's credit-card sales had plunged by 30 percent following this incident. If you were a responsible representative, I would expect that you checked the numbers immediately after that. So, how much have Coupang's sales actually declined?

(Coupang CEO Harold Rogers) (Original statement) I've seen the public reports on the drops. I do believe that misleading information out in public is having an impact.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have seen the reports regarding the drop. However, I believe that incorrect information is currently having an impact.

(Rep. Hwang Jeong-ah) That's not an answer. Is it more than 10%? More than 20%? I mean the stock price drop. How much have the actual sales declined? You don't know, do you? How much the sales have fallen.

(Coupang CEO Harold Rogers) (Original statement) No, under SEC rules, we're not in a position where we can state that publicly, but I have seen the public reporting. I do believe that misinformation that is around is having an impact on customers who misbelieve what is out and about (Audio overlap) on their data and have not been told the truth about their data.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Under SEC rules, we are not in a position to disclose this publicly. However, I have seen the public reports, and from what I can tell, false information is circulating, and I believe it is affecting customers. (Audio overlap) I believe false information is currently spreading. And I believe customers are not hearing the truth about their own data.

(Rep. Hwang Jeong-ah) You don't even know the sales figures... No, that's not what I asked. What kind of CEO doesn't even know the company's sales figures? Mr. Harold Rogers, you are a member of the board of directors of Coupang, Inc., correct? Are you a board member?

(Coupang CEO Harold Rogers) (Original statement) No, I am a board member of Coupang Corp. I'm not a board member of Coupang Inc.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I'm not a board member of Coupang Inc.

(Rep. Hwang Jeong-ah) Then are you a director of Coupang Korea?

(Coupang CEO Harold Rogers) (Original statement) Correct.
(Coupang CEO Harold Rogers) (Simultaneous interpretation) Correct.

(Rep. Hwang Jeong-ah) Right after the hearing, how much did Coupang's stock price drop in the U.S. market early this morning, Korea time? Isn't the U.S. stock market what you prioritize the most? How much did Coupang's stock actually fall?

(Coupang CEO Harold Rogers) (Original statement) I don't know. I don't look at our stock price everyday. It fluctuates widely.
(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don't know. I haven't checked. But there is some fluctuation.

(Rep. Hwang Jeong-ah) You don't know, do you? As of this morning, the stock has fallen 1.35 percent. At the hearing on the 17th, you told me that if you knew the reasons for stock price declines, you would be investing in stocks instead of serving as a CEO — an appalling excuse. I'm sure the U.S. shareholders would be delighted to hear that. After watching this hearing, isn't it possible that the U.S. market also judged that this situation is unacceptable? Please respond.

(Coupang CEO Harold Rogers) (Original statement) I have no idea what drives the stock market up and down.
(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have no idea what drives fluctuations in the stock market.

(Rep. Hwang Jeong-ah) You don't know that either, do you? The CEO of the Korean corporation claims not to know even the extent of the sales decline, and as a member of the board you show no willingness to defend the stock price. So what you are effectively admitting is that all decisions at Coupang are made by Bom Kim, and that you are merely a figurehead.

(Coupang CEO Harold Rogers) (Original statement) No, I have not made such a statement. This is how a free market works. People can buy and sell as they choose.
(Coupang CEO Harold Rogers) (Simultaneous interpretation) No, I have not made such a statement. This is how a free market works. People freely buy and sell stocks.

(Rep. Hwang Jeong-ah) About Bom Kim. No, about Bom Kim.
No. Don't say any more. I didn't ask you that.

(Coupang CEO Harold Rogers) (Original statement) I'm not even allowed (Audio overlap) to be able to answer the questions. We're already beginning just how we did yesterday, where I'm not allowed to answer the questions being asked, nor do I believe that my answers are being translated. (Inaudible)
(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have not had the opportunity to respond, and therefore I believe my answers are not being interpreted accurately.

(Rep. Hwang Jeong-ah) You don't need to answer. That's not what I asked. Yesterday, you took offense at my question, asking why I was directing questions about Bom Kim to you. Accordingly, I made a formal and very simple request for the submission of materials. My request of this: whether Bom Kim watched the National Assembly hearing yesterday and on the 17th; and if he did, what instructions he gave to the board afterward. That was the entirety of my request—very simple. Did he watch it or not? That is something you, Mr. Rogers, can immediately confirm—directly with the board. Did Bom Kim watch the hearing?

(Coupang CEO Harold Rogers) (Original statement) Are you telling me what discussions I should and should not have with the CEO? I will have the discussions I have with them about the business. We have those conversations regularly with him and the full board.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Are you asking me whether I should or should not discuss certain matters with the CEO? We regularly discuss business matters with the chair of the board and with the board.

(Rep. Hwang Jeong-ah) You're doing it again — refusing to answer and responding with something completely irrelevant. My question was whether he watched the hearing. Did he say that the Republic of Korea can be ignored to the extent that he didn't even bother to watch the National Assembly hearing? That is what I want to know: Did Bom Kim watch the hearing, and if so, how did he react afterward?

(Coupang CEO Harold Rogers) (Original statement) I don't know. I have conversations (Audio overlap) with the chairman and the entire board about the business (Interrupted).

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not know.

(Rep. Hwang Jeong-ah) All right—you do not know. At a time when the stock price is plunging and the company is facing a critical situation... (Audio overlap)

(Coupang CEO Harold Rogers) (Original statement) I'm still not being allowed to answer the questions. I'm still not being allowed to answer questions. Why don't you want me to speak? You called me here. Please allow me to answer your questions. I respectfully request. Please allow me to answer the questions. Please.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am still not being given an opportunity to respond. Then why was I selected as a witness? Please allow me to answer. I earnestly request this.

(Rep. Hwang Jeong-ah) No, you said you don't know.

(Rep. Noh Jong-myun) Why is there so much talking when there are only three possible answers — yes, no, or you don't know?

(Rep. Hwang Jeong-ah) Please keep your voice down. That is not an answer to my question. Answer my question. The stock price has plunged, and the company is in a critically important situation — yet you're saying that the chair of the board wasn't even watching the hearing in real time? Then why did he issue an apology? Why did he apologize?

(Coupang CEO Harold Rogers) (Original statement) I never stated he didn't watch it. I don't know. I have business conversations with him and the entire board. (Audio overlap) Are you getting my answer from translation? I don't even know if you're receiving it.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I did not state that Chairman Bom Kim did not watch the hearing. I do not know. I discuss business matters with Chairman Bom Kim and with the board.

(Rep. Hwang Jeong-ah) Noted. Now about Coupang... (Audio overlap) Yes, please be quiet. Let me ask you how much deceit, how much misleading conduct, and how much contempt Coupang has shown toward the Republic of Korea up to this point. Mr. Harold Rogers, yesterday you— Now, here is my first request. Out of the 33.7 million accounts, how many accounts have been withdrawn or are dormant? This is a simple question. Out of 33 million accounts, how many have been withdrawn, and how many are dormant?

(Coupang CEO Harold Rogers) (Original statement) I don't know.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don't know.

(Rep. Hwang Jeong-ah) You don't know. Then second: then how did you inflate the compensation amount? Next, what information was leaked from the withdrawn and from dormant accounts? Addresses, order histories, email addresses, shared building entrance passcodes? For each category, what information was leaked from dormant and what was leaked from withdrawn accounts? You don't know?

(Coupang CEO Harold Rogers) (Original statement) We know that 3,000 accounts were stored. We know that about 2,700 of apartment access codes, apartment building access codes, were stored by the threat actor, and then they were all then (Audio overlap) deleted.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) 3,000 accounts were stored and about 2,700 shared apartment entrance passcodes were stored. And all of these were deleted.

(Rep. Hwang Jeong-ah) It's not out of the 30,000 — it's out of the 3,000 stored accounts. So, regarding what you just said: Out of those 3,000 stored accounts, how many were withdrawn accounts and how many were dormant accounts?

(Coupang CEO Harold Rogers) (Original statement) I don't know. I don't have that number in front of me.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don't know.

(Rep. Hwang Jeong-ah) You don't know again. And... the victims have already been identified, because their information was retained until the end. It seems only proper that you should have provided additional notice regarding the fact that their personal information had been stored. Did you provide that notice?

(Coupang CEO Harold Rogers) (Original statement) We've notified the full 33 million.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I've notified the users who hold the 33 million accounts.

(Rep. Hwang Jeong-ah) No — I'm talking about the remaining 3,000 people. If I were one of them, I would be extremely curious to know whether I was included. You claim you know nothing — you say you don't know anything you would need to know in order to compensate the victims, and then during the hearing you try to make it seem as though the government is hiding something. Yet you yourselves refuse to submit documents and spend your time thinking up tricks.

You call this an "unprecedented compensation plan", which is just wordplay. The scale of the personal-information leakage involving 33.7 million accounts, the hundreds of millions of pieces of personal information leaked — has there ever been such a case? Don't mislead by manipulating the cause and the sequence. It is because the damage itself is unprecedented that this compensation plan was created — and even then, you break it up into pieces and hand out smishing vouchers and act as though you've done something impressive.

What the public is concerned about right now is this: a company as disgraceful as Coupang would include in its terms and conditions a non-litigation agreement clause stating that, if a customer uses the 50,000-won voucher, all compensation shall be deemed fully resolved and the customer will waive any and all future civil or criminal claims. Mr. Harold Rogers, are you planning to include such a non-litigation agreement clause?

(Coupang CEO Harold Rogers) (Original statement) No. There are no conditions in those vouchers. There will not be any conditions in those vouchers. That is misinformation that is mis-spread about (Interrupted).

(Coupang CEO Harold Rogers) (Simultaneous interpretation) No. There are no conditions attached to such purchase vouchers. No conditions attached to such purchase vouchers. That is false information.

(Rep. Hwang Jeong-ah) Then will you use it to reduce the claimed damages in any compensation lawsuits? Will you argue that people who used or received the voucher should have their compensation reduced?

(Coupang CEO Harold Rogers) (Original statement) At what court? Do you mean in U.S. lawsuits? I don't believe that would be a mitigating factor. And we're still facing, as you remind me over and over, multiple fines from multiple agencies.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) If you are referring to litigation, this would not be considered a mitigating factor. And we have, in fact, received administrative penalties on multiple occasions from various authorities.

(Rep. Hwang Jeong-ah) The compensation generally recognized by the courts for personal-information leaks is at least KRW 100,000 per person. But what you are effectively doing now is replacing that with a 5,000-won voucher. You call this "unprecedented" in scale? Chairperson Song Kyung-hee of the Personal Information Protection Commission — Under Article 39 of the Personal Information Protection Act, the degree of effort made to remedy the damage is one of the factors considered when calculating punitive damages. Do you believe that this smishing voucher, this wordplay of a compensation plan, is an appropriate remedy?

(PIPC Chairperson Song) I am well aware that Coupang's compensation plan has faced significant criticism. It is extremely important that the compensation be something that the individuals who actually suffered the data leak can genuinely recognize as meaningful redress. And I believe that the responsibility to prove this lies with the business operator.

(Rep. Hwang Jeong-ah) Mr. Harold Rogers, you've read Chairman Bom Kim's apology statement, haven't you? I cannot understand how lightly one must regard the Government of the Republic of Korea to act in this manner.

(Chairperson Choi Min-hee) Let us stop here.

(Rep. Hwang Jeong-ah) Yes, I will.

(Chairperson Choi Min-hee) We initially planned for 10 minutes but reduced it to 7 in order to allow each member to have a turn within the morning session. As such, no additional time can be given.

(Rep. Hwang Jeong-ah) Understood.

(Chairperson Choi Min-hee) Rep. Jung Hye-kyung, please proceed with your questions.

(Rep. Jung Hye-kyung) I am Jung Hye-kyung, a National Assembly member from the Progressive Party, a non-regular worker-turned-lawmaker. I am a first-term lawmaker and used to be a non-regular worker. Since coming to the National Assembly, I have personally witnessed with my own eyes how the vested interests of highly educated and wealthy individuals operate. In fact, these vested interests have long shaped the mechanisms through which national affairs are run. And what

seems to be revealed now, clearly before the public, is that Coupang has taken that very mechanism of entrenched privilege and has formed what is essentially a Coupang cartel. I would like to speak on that matter.

Yesterday, Chairperson Choi Min-hee also confirmed that individuals from Kim & Chang have filled the positions of CEO and executives at Coupang. Centered around Kim & Chang, across all these areas — the prosecution, the National Assembly, the judiciary, government ministries, the media, and so on — there has been a process that effectively allows Coupang to steer national governance. As a result, these “legal profiteers,” operating around Kim & Chang, have systematically exploited and undermined the law and the system. With that, let us take a look at the personnel recruited for government relations. Please move to the next slide.

(Referring to the screen) As you can see, this has been widely reported in the media. A significant number of National Assembly aides have been recruited by Coupang. The data shows this year by year, and notably, regardless of whether they came from the Democratic Party, the People Power Party, the Environment and Labor Committee, Coupang has recruited aides to floor leaders, party leaders, and senior party officials. In 2025 alone, eight National Assembly aides were recruited to join Coupang. In 2024, many secretaries from the People Power Party were recruited, and now, with the change in the ruling party, it is likely that secretaries from the Democratic Party have been hired. Next slide, please.

And this applies regardless of which administration is in power — whether ruling or opposition, regardless of party. Coupang has consistently recruited officials from the Presidential Office as executives for government relations. Next slide.

Meanwhile, Coupang has faced numerous controversies over the years, particularly regarding labor issues such as blacklists, deaths from overwork, and unpaid severance. Then, in relation to fair trade, there have been many issues involving online platforms, abuse of power over sellers, and other related issues.

Chairperson of the KFTC — if you could listen for a moment. From 2021 to 2025, the number of dispute-mediation requests for unfair trade practices involving Coupang increased more than threefold compared to 2021. And with KRW 166.2 billion in administrative penalty, Coupang is ranked first among all companies. These facts indicate that there have been numerous violations related to fair trade. So the warning signs were already there — and in response, Coupang ramped up its recruitment in government relations. For example, as you know, a former director at the KFTC was hired as a senior managing director at Coupang just four months after retirement. This individual is likely still at Coupang.

Given this, when it comes to imposing a business suspension on Coupang, the decision must come from the KFTC. But with this level of lobbying by Coupang’s government-relations team, isn’t it the case that such influence could be exercised, making it structurally difficult for the KFTC to reach a decision to impose a business suspension? I would like to ask how the KFTC plans to address this.

(KFTC Chairperson Ju) Any contact with former KFTC employees must be reported; failure to do so will result in disciplinary action. So such contacts must be reported. And to firmly reinforce organizational discipline in this area, we have strengthened our disciplinary regulations as well.

(Rep. Jung Hye-kyung) Exactly. Even phone calls should not be allowed.

(KFTC Chairperson Ju) That’s right.

(Rep. Jung Hye-kyung) You must ensure that they are absolutely barred from any contact whatsoever. Please confirm that.

Now, I have a question for the Minister of Employment and Labor. Similarly, in June of this year, it was revealed that five officials from the Ministry of Employment and Labor, at grades 5 and 6, were collectively recruited by Coupang. Correct? That was reported in the media. In fact, they were hired with very high salaries—around KRW 280 million annually for grade 5 and KRW 240 million for grade 6. During this time, there have been numerous labor-related issues, including deaths from overwork, and many other ongoing concerns. And they are there for those issues. The Ministry of Employment and Labor must then conduct investigations into matters such as the concealment of overwork-related deaths, among others. So, how does the Ministry plan to address the issue of contact related to these cases?

(MOEL Minister Kim) As you mentioned, it has been identified that right before the last presidential election, they recruited lower-level officials of grades 5 and 6 evenly from our six offices. So, I gave instructions, saying, “anyone making contact with those people should be prepared to face ruin.”

(Rep. Jung Hye-kyung) The same applies. All ministries present, please listen. Extensive lobbying is taking place right now. I believe we can properly correct Coupang only if we create a public-service culture in which even taking a phone call from them is strictly prohibited. Everyone must adhere to this.

And I ask Witness Park Dae-jun. We have the workers – their bereaved families – here with us right now, don’t we? Is the money for compensating workers and preventing overwork deaths so wasteful to you, while you can spend so lavishly on this lobbying, on recruiting talent for government relations, and so on? Is that money not wasteful? That is how you have operated until now, isn’t it?

(Former CEO Park Dae-jun) No, I do not believe we operated in that manner.

(Rep. Jung Hye-kyung) That is exactly what you are doing now. That is enough. Since we are short on time, please move to the next slide. There is a long list of lobbying activities related to the U.S., but since we have little time... the public is fully aware of it. Coupang has gotten a taste for lobbying in all directions and has expanded it to the U.S. So, in 2024 and 2025, they expanded lobbying efforts toward the U.S. across the board. Just look at the budget. It is enormous. They are doing this right now, and if you look there, they are currently employing President Trump’s key associates as lobbyists.

Next slide, please. Skip right to the end. As you know, such key figures are raising various issues—which could become diplomatic problems—through social media or op-eds, turning them into trade and diplomatic disputes with our country.

Please go to the last page. Next page. Look at this. As you are aware, the Online Platform Act is currently an incredibly important law for Coupang. That is why, from the U.S., they are doing this in an all-out manner... (Mic off)

(Chairperson Choi Min-hee) Please continue in the additional round of questioning.

(Rep. Jung Hye-kyung) Noted.

(Chairperson Choi Min-hee) Rep. Jung Il-young, please proceed with your question.

(Rep. Jung Il-young) I am Rep. Jung Il-young of Songdo International City, Incheon. Today is December 31, 2025—the second day after yesterday. And honestly, it’s frustrating. Coupang’s responses have been utterly insincere and arrogant, and they’re even trying to turn the tables on us... (looking

toward the witness stand) I can't even see them. It's extremely frustrating. But still, the National Assembly will do its job. We will file criminal complaints where necessary and take measures where measures are due.

CEO, CEO Rogers, why the materials – I requested three items, but first, regarding two items. Yesterday, you said numerous times that "Coupang went to China, caught the culprit, retrieved the laptop, conducted forensics, and did so in cooperation with the government and under the direction of the government." I asked you to submit credible evidence proving that, so why haven't you? Is it definitely a lie? The Director of the National Intelligence Service clearly stated last night, "That's not true. The NIS never gave such instructions." What answer will Coupang provide? You committed perjury, didn't you?

(Coupang CEO Harold Rogers) (Original statement) It's incredibly rare for a private company and the government to work in a cooperative manner like this and have such a success. I've given these devices back, securing the data, limiting the secondary harm. I don't understand (Audio overlap) why this success story is not being told.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Cases where corporate companies and government agencies cooperate to achieve this level of success are rare. We recovered the device and also (Audio overlap) mitigated secondary damage and we also recovered the hard disk. These are not being made known.

(Rep. Jung Il-young) Hold on. CEO Rogers. CEO Rogers!

(Coupang CEO Harold Rogers) (Original statement) Why aren't you telling this good story? This is a success. Why aren't you sharing with the Korean people this success?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) (Audio overlap) This is a success story. Why not present such a success story to the Korean public? (Audio overlap)

(Rep. Jung Il-young) Stop! Stop! Please stop! STOP!

The reason I'm not giving CEO Rogers more time to answer is because he keeps giving irrelevant answers; while he should simply provide concise and clear responses to the questions asked by a member of the National Assembly during their allotted time, he is trying to give a sermon and only says what he wants to say. (Referring to the screen) And about "false insecurity" and "falsely accused"—who wrote the statement announcing that the Korean government lied? VP of Communications, please come forward. I asked yesterday, but no one gave a clear answer. CEO Rogers, did you confirm this last night? This is extremely important. It could lead directly to perjury charges.

(Coupang CEO Harold Rogers) (Original statement) Why are we talking about this and not the successful joint effort that was done by Coupang and the Korean government? The Korean government was incredibly successful in this operation.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Why are we talking about this, and why are we not talking about the successful joint effort between Coupang and the Korean government? The Korean government successfully carried out this operation.

(Rep. Jung Il-young) CEO Rogers, CEO Rogers!

(Coupang CEO Harold Rogers) (Original statement) Why isn't the Korean government telling the people what they found? (Audio overlap) This is a great story. It's a success.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Why does the Korean government not inform the Korean people about what it has found? This is a good example of success.

(Rep. Jung Il-young) What I asked is who drafted this, I want you to tell me that. Why are you not submitting the data? Just answer that simply. Is there none? Do you not know? If you don't know, say you don't know.

(Coupang CEO Harold Rogers) (Original statement) What I don't know is why we're not talking about the successful joint operation. Why is that success not being discussed?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not understand why we are not talking about this successful joint effort.

(Rep. Jung Il-young) I see. CEO Rogers, you keep talking only about it being successful, which is the same thing you said yesterday. Vice President!

(VP Lee Young-mok) Yes, Representative.

(Rep. Jung Il-young) You didn't give a clear answer yesterday. Who made this, the statement, the one in English?

(VP Lee Young-mok) Representative, I apologize, but as I told you yesterday...

(Rep. Jung Il-young) Is it the same story? Do you not know?

(VP Lee Young-mok) I'm only responsible for drafting official correspondence, so I know nothing about that part.

(Rep. Jung Il-young) CEO Rogers, do you know Hangul or the Korean language? Answer only with yes or no.

(Coupang CEO Harold Rogers) (Original statement) No.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not know it.

(Rep. Jung Il-young) Then does Owner Kim Bom-suk, the Chairman, know Korean? Does he know Hangul?

(Coupang CEO Harold Rogers) (Original statement) Yes.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, that is correct.

(Rep. Jung Il-young) Does he know Korean? Does he know Hangul? Owner Kim Bom-suk?

(Coupang CEO Harold Rogers) (Original statement) Yes.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, he does.

(Rep. Jung Il-young) Then look at the next screen. This shows that the Korean and English versions released by Coupang are different. That first page says Coupang is doing everything completely according to the government's instructions. Then, the second page. But since the government claims that is wrong, the company refutes the government's claim; in Korean it says, "unnecessary insecurity," but in English it is "false insecurity." This is saying that the Korean government is lying. So, CEO Rogers, you only looked at the English since you don't know Korean. So, you are admitting to that. You saw that statement before it was released, right?

(Coupang CEO Harold Rogers) (Original statement) Why are we talking about translation issues? There are serious issues for the Korean people that should be discussed. Why are we not discussing them?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Why are we talking about translation? There are more important issues that people need to know. Why are we not discussing such important issues?

(Rep. Jung Il-young) No, CEO Rogers, I am not talking about the translation. Since you say you don't know Korean. You must have only looked at the English version, the English. You saw the English, "false insecurity," didn't you? I am not talking about the Korean. I am not talking about translation. Since you are the CEO, you must have seen "false insecurity" before that statement was released, right? Since you only know English.

(Coupang CEO Harold Rogers) (Original statement) There's misinformation in Korea about customers' data. That is what we're talking about in the press release. I think we're very clear about that. That misinformation continues.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) There is misinformation regarding customer data in Korea. That is what we spoke about in our press release. I have been clear about that.

(Rep. Jung Il-young) CEO, CEO Rogers. It would be better to play a recording. This is so frustrating. I request the Chairperson to file a criminal complaint for perjury regarding this. As you already know.

And NPA Acting Commissioner General, please come forward. KFTC Chairperson, if you look at this, they are attacking the Korean government and denying everything our government is investigating. What does this mean? It connects to appropriation for private gains, unfair transactions, and even fraud. So, KFTC Chairperson, please investigate unfair practices and other matters thoroughly.

(KFTC Chairperson Ju) Yes, we will.

(Rep. Jung Il-young) Next, is the FSC Chairman here? Chairperson Lee Eog-won. Seeing them lie and submit fake documents about such an important matter, there is a high possibility that all of Coupang's financial transactions also involve faulty, false, or distorted documents. You must go and investigate all of Coupang's financial transactions.

(FSC Chairman Lee) Yes, we currently have teams out on-site conducting investigations into both Coupang Pay and Coupang Financial.

(Rep. Jung Il-young) Please investigate thoroughly.

NTS Commissioner, Coupang's alleged gain of unfair profits through such sham practices, I mean there are many allegations of tax evasion involving falsehoods and lies. You are currently conducting a special tax investigation, so please take this into account and handle the matter firmly.

(NTS Commissioner Lim) Yes, we will do so thoroughly.

(Rep. Jung Il-young) And is the NPA Acting Commissioner General here?

(NPA Acting Commissioner General Yoo) Yes.

(Rep. Jung Il-young) I mentioned this yesterday, but regarding the investigation... Didn't they just barge in, catch the culprit, and conduct forensics regarding matters that the police should be investigating? Does this make sense? While the police are investigating, can a relevant party bypass the police in our country, raid the scene themselves, and just take evidence?

(NPA Acting Commissioner General Yoo) No, they cannot. The police are currently investigating thoroughly, and we have proceeded with cooperative investigations through Interpol. Furthermore,

international criminal justice cooperation with China is currently underway through the Ministry of Justice and the Ministry of Foreign Affairs.

(Rep. Jung Il-young) And you conducted a search and seizure on Coupang once, right?

(NPA Acting Commissioner General Yoo) Yes.

(Rep. Jung Il-young) Do it again, because it is becoming a problem right now. The government's credibility is being severely damaged. This part must have been omitted from the last search and seizure, this specific part, right? Since it was done before.

(NPA Acting Commissioner General Yoo) The investigation team is currently reviewing those parts thoroughly as well, and I believe they will take appropriate measures if necessary.

(Rep. Jung Il-young) Do it thoroughly and quickly.

MOFA Vice Minister, you are here, right? The reason this is a problem is that through this, they are attacking Korea and only caring about U.S. investors, saying: the "Korean government is wrong and Coupang is right," "Invest," and "Raise the stock price." They are looking down on Korea, on us, and thinking only of the U.S. So, I hear some lobbying is coming in from the U.S. Please respond thoroughly at the level of the Ministry of Foreign Affairs.

(MOFA Second Vice Minister Kim) We are continuously following up on the parts we have identified through public sources.

(Rep. Jung Il-young) Regarding the NTS matters, I will question them more thoroughly in the afternoon. That is all.

(Chairperson Choi Min-hee) Rep. Lee Hai-min, please proceed with your questions.

(Rep. Lee Hai-min) Mr. Noh Jae-guk, Head of Coupang Logistics Policy, and Mr. Jeon Kyung-soo, Head of Coupang Service Policy, please come forward. I don't see you yet. In a moment, I will direct questions to the MSIT Deputy Prime Minister and the MOEL Minister.

This is Lee Hai-min from the Rebuilding Korea Party. CEO Rogers, is your visit to the National Assembly today just a casual one?

(Coupang CEO Harold Rogers) (Original statement) I've been threatened with personal criminal (Audio overlap) action more than 20 times. No, I do not think this is casual. I think I'm being threatened and intimidated.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) (Audio overlap) Personal criminal...

(Rep. Lee Hai-min) (Audio overlap) No, no, no... Is this a casual visit, or a business visit? Is this a casual visit, or a business visit?

(Coupang CEO Harold Rogers) (Original statement) Of course it is not. I'm being threatened repeatedly with personal criminal action.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) It's not a casual visit.

(Rep. Lee Hai-min) (Audio overlap) This is a business visit, isn't it? Earlier, when asked if Bom Kim watched the hearing, you gave an irrelevant answer saying, "I only have business conversations with the CEO." But since this is a business visit, I have no idea why you're blurting out such inconsistent nonsense. It makes me wonder if this is preparation for U.S. litigation.

And while you keep deflecting using terms like "misinformation," I don't think the end will be

comfortable for you. From Bom Kim's perspective, CEO Rogers, you're performing below expectations.

(Referring to the screen) Here, I've included voices of a late-night delivery driver on this slide. This is a news article from The Hankyoreh—let's take a look first. There are many comments, but the point is this: "They pressure agencies through these contracts, and then agencies inevitably pressure drivers. Yet when accidents happen, Coupang says, 'We never forced anyone.'" These are comments from Mr. Kim Ho-jun, a late-night Quick Flexer. It's a typical setup for evading responsibility. CEO Rogers, all processes of work for non-regular delivery drivers are recorded in real time through the application called Coupang Flex. Is that correct?

(Coupang CEO Harold Rogers) (Original statement) My understanding is that we follow the law in tracking (Audio overlap) what people do based on what we are allowed to.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) My understanding is that this is... under the relevant law...

(Rep. Lee Hai-min) I asked if it's correct... Mr. Noh Jae-guk, is that correct?

(Head Noh Jae-guk, Logistics Policy) I may have missed the exact point of what you mentioned earlier, but since we need to pay fees to the agencies...

(Rep. Lee Hai-min) So, you're managing them.

(Head Noh Jae-guk, Logistics Policy) We do have the delivery data.

(Rep. Lee Hai-min) Right? Coupang uses this data to pressure the agencies caught between Coupang and the workers. The concept called "cleansing" that Coupang demands from agencies effectively leads to territory stripping, which in effect results in dismissals.

To sum up, workers' data is fully managed through the application created by Coupang, and that data serves as the basis or pressure that even leads to termination. And who manages that data? Coupang does.

Now, I have a few questions about Coupang's delivery algorithm. Who decides the number of deliveries, the delivery rates, the delivery routes, and the delivery order?

(Head Noh Jae-guk, Logistics Policy) As for the delivery rates, we establish contracts through mutual agreement with the agencies. And the delivery routes are determined autonomously by the drivers — we cannot interfere with that.

(Rep. Lee Hai-min) Then who designed the delivery system algorithm?

(Head Noh Jae-guk, Logistics Policy) In fact, as for the Quick Flexers you just mentioned and those delivery drivers affiliated with the agencies, there is no predetermined delivery algorithm for them.

(Rep. Lee Hai-min) The algorithm isn't predetermined? Are you saying there's nothing behind the algorithm that appears on that application?

(Head Noh Jae-guk, Logistics Policy) Yes, in the case of Coupang Friends we hired directly in the past...

(Rep. Lee Hai-min) You must not commit perjury here.

(Head Noh Jae-guk, Logistics Policy) Representative, I'm telling you this accurately. Most delivery drivers decide for themselves how to deliver within their delivery zones and make the most efficient

and appropriate decisions. I am telling you the facts exactly as they are.

(Rep. Lee Hai-min) Then you should be able to provide the source code, right?

(Head Noh Jae-guk, Logistics Policy) I'm not sure what you mean by "code"?

(Rep. Lee Hai-min) The delivery algorithm code.

(Head Noh Jae-guk, Logistics Policy) That was previously, in the case of Coupang Friends, our directly employed Coupang drivers, for faster... (Interrupted)

(Rep. Lee Hai-min) I requested only one thing. You spoke confidently just now. Provide that delivery algorithm, the algorithm for how the Quick Flex delivery runs. Provide the source code, if you are that confident.

People say the world has gotten much better while looking at the Fresh Bags placed in front of their doors every morning. For someone, especially from the perspective of raising children, I think such services are likely desperate necessities.

The problem is whether the compensation for those arduous nights is being properly made. We need to see if those hours of arduous nights are passing in a humane manner. I don't see this as a question of "Yes or No" to Dawn Delivery right now; I believe the point we must focus on is the lack of regulation regarding the reality where people keep dying at dawn.

MOEL Minister Kim, I hope you review the system I am mentioning now. The Labor Standards Act has a system for additional wages for night work, but this is compensation, not a safety regulation. Also, the Labor Standards Act differentially restricts night work for women, pregnant women, and adolescents, but there are no separate restrictions for adult men. Please look into these two points and see if there are areas for improvement.

The work instructions, evaluation, resulting compensation, and disciplinary procedures for Coupang delivery drivers are currently being controlled by algorithms. The problem is that these algorithms create the illusion that it is fair due to technological neutrality, which causes workers to internalize this control and become more obedient or fall into a sense of helplessness that they cannot escape. And we must recognize the problem that this algorithm operates in a completely opaque manner and is not transparent, and consequently, raising objections is impossible. Algorithms—though you are not giving a proper answer right now—do not just fall from the sky. They contain 100% of the designer's intent. And now, we cannot separate these various algorithms from AI systems. So, I looked to see if there are any improvement plans in the relevant enforcement decrees. Especially in cases where an algorithm carries the stigma of being a death-inducing algorithm.

Deputy Prime Minister, the Enforcement Decree of the Framework Act on Artificial Intelligence will take effect on January 22. The Enforcement Decree classifies AI as "high-impact AI" if the AI used in a total of 10 fields has a significant impact on or poses a risk to human life, physical safety, or the protection of fundamental rights, and for such cases, the Decree requires technical explanations.

(Deputy Prime Minister Bae) Yes, that is correct.

(Rep. Lee Hai-min) The part we need to examine here is recruitment. I looked through the MSIT explanatory materials very thoroughly, and for example, it is explained that if an applicant's employment opportunity is unreasonably deprived during the recruitment process due to AI's aspect of discrimination or bias, it constitutes a case where high-impact AI has a significant influence.

So my question is, I want to ask if this Enforcement Decree can be interpreted this way: Could things like Coupang's delivery algorithm—which covers not just recruitment, but also the process, personnel management, work instructions, evaluations, and compensation systems—be included in cases causing significant impact or risk regulated by the Enforcement Decree? That is my question.

(Deputy Prime Minister Bae) As you mentioned, if high-impact AI causes incidents that infringe upon we humans, the human rights of citizens, and various aspects of life, I believe that the parts you mentioned can be fully reviewed.

(Rep. Lee Hai-min) In the EU, through the AI Act, they cover not just recruitment but also systems used for recruitment or performance evaluation. Therefore, MOEL Minister Kim, I hope the two ministries consult with each other and take good care of this matter.

(MOEL Minister Kim) Yes, we will do so.

(Rep. Lee Hai-min) That is all.

(Chairperson Choi Min-hee) Rep. Kim Hyun-jung, you may proceed with your questions.

(Rep. Kim Hyun-jung) First, Witness Park Dae-jun, please step to the left.

I will present evidence exposing Coupang's illegal dispatch and surveillance practices, so I ask the MOEL Minister to listen carefully and respond.

First, I have a question for Witness Rogers. As you know, you will be punished if you commit perjury.

Are you aware of the emergency notice sent to all camps around last December 25th, instructing them to immediately separate the headquarters staff from the employees of CLS, the subsidiary? Please answer only "Yes" or "No."

(Coupang CEO Harold Rogers) (Original statement) I'm not aware of that notification.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am not aware of that notification.

(Rep. Kim Hyun-jung) Say that again.

(Coupang CEO Harold Rogers) (Original statement) I'm not aware of that notification.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I'm not aware of that notification. I'm not aware.

(Rep. Kim Hyun-jung) You don't know? Then, please take a look at the screen.

(Referring to the screen) This is a post from the Coupang Gallery on DC Inside, an online community site. It says an urgent notice came down from headquarters, instructing that Coupang HQ staff and CLS employees be strictly separated. Why would they... What exactly were they asked to separate? After the massive data leak on November 29, when government and National Assembly investigations began, this emergency notice was issued to separate Coupang HQ staff from CLS employees in order to conceal illegal dispatching.

Now, please take a look at the next slide. These are vivid testimonies from field staff.

If you look at the first example, you can see that Coupang HQ employees and CLS subsidiary employees perform sorting tasks together at the rolltainers filled with delivery items. On the second one regarding delivery routes: if they were independent companies, managers of each should plan their respective delivery routes; however, all the routes are first allocated to CLS, and the remaining

routes are assigned to Coupang HQ. This clearly shows that the entire fulfillment center operates as a single system. On the third one, they share the same space—only their uniforms are different because the companies are different—they’re sharing water purifiers, restrooms, break areas, and even work tools like carts. If these details are true, doesn’t this clearly constitute illegal dispatching? I’ll ask you about this in a moment.

Take a look at the next one. Next. Here, you can see a manager of CLS, the subsidiary, accompanying and providing even ride-along training to employees of Coupang HQ, a different company.

Minister, Coupang currently operates its deliveries through three models: directly by HQ, through CLS, and through agencies called Quick Flex. You’re aware of this, right?

(MOEL Minister Kim) I’m aware of that.

(Rep. Kim Hyun-jung) Regarding the Quick Flex delivery drivers, the Ministry of Labor has previously interpreted that it is difficult to apply the Act on the Protection of Temporary Agency Workers because they are individual business operators.

(MOEL Minister Kim) They are classified as special employment workers.

(Rep. Kim Hyun-jung) Yes. However, I believe that what I pointed out earlier—the mixing of HQ employees and CLS subsidiary employees working side by side at the site—is clearly illegal dispatching.

(MOEL Minister Kim) It’s a typical case.

(Rep. Kim Hyun-jung) I believe this requires immediate labor inspection. Will you do so?

(MOEL Minister Kim) Yes, we will.

(Rep. Kim Hyun-jung) The bigger issue, beyond committing these illegal practices, is that Coupang is reportedly conducting surveillance to prevent such matters from leaking outside. Take a look at the screen. Look at that... Witness Park Dae-jun, look at the screen. This is a job posting for CFS, Coupang Fulfillment Services. We’ve collected job postings from several universities. As you can see, one of the items includes “online community reputation checks, etc.” Under the job requirements.

Next PPT, please. This is a post from DC Inside showing the same CFS job posting captured and shared online. At the bottom, it states they are hiring 15 people and explicitly lists monitoring posts on a specific community, DC Inside, as part of the job duties.

Witness Park Dae-jun, looking at this job posting, is there a dedicated team within Coupang HQ or its affiliates that targets and investigates specific online communities like this? Isn’t this a surveillance team operated for gagging purposes?

(Former CEO Park Dae-jun) Representative, as far as I know... this is the first time I’m hearing about such a thing, and to my knowledge, it does not exist.

(Rep. Kim Hyun-jung) I understand. Perjury is punishable by law.

Look at the next PPT. It is confirmed through materials that you are lying right now. They were written by a person with the same nickname. The left one was written on December 13th, and the right one on December 22nd.

If you look at the December 13th post on the left, it is a post exposing the horrific conditions of the

site and announcing an intention to further expose tip-offs. It points out serious safety issues such as fatalities and forced dispatch. These were posted based on tips received from workers on the field.

But looking at the right one from the 22nd, it says the company came to the fulfillment center involved with the tip to check on it. And there is also a text on the right saying that perhaps the informants, apparently feeling external pressure from the company, are contacting the poster and asking to delete the evidence photos they sent. How is it even possible to pinpoint a specific camp, visit it, and pressurize informants just for one post on an anonymous board? I believe this is clearly a form of modern-day surveillance.

So, I think the current work sites at Coupang are practically lawless zones reigning above the law. Is covering up internal issues through illegal dispatch or surveillance and resolving problems through lobbying to avoid government supervision the reality of the innovation Coupang talks about?

Minister, based on the details I just presented as evidence, please conduct an immediate labor audit on these anti-constitutional acts, such as surveillance and pressure.

(MOEL Minister Kim) We will conduct it, and if there are any violations of the law, we will take stern measures.

(Rep. Kim Hyun-jung) And I will point out one more thing. Look at the next material.

According to the National Health Insurance Service data, there are three people who moved from the Ministry of Employment and Labor to CLS over the past three years, and their annual salaries jumped 2.5 times. It jumped from KRW 8 million to KRW 14 million. But looking at that, it is said that it's not just a simple salary but "cash ammunition" to bypass the Improper Solicitation and Graft Act. They say there is such a practice. Since corporate card records over KRW 30,000 remain with the National Tax Service, there is a practice of giving cash ammunition like that and telling them to use it for lobbying. Have you heard of such a practice?

(MOEL Minister Kim) I haven't heard specifically, but regarding those who moved... Through our own analysis, we have identified up to nine people who moved.

(Rep. Kim Hyun-jung) (Mic off) There is reportedly such a practice that I just mentioned, so I am requesting you to carry out a fact-finding investigation into related matters, including this practice.

(MOEL Minister Kim) We will do so.

(Rep. Kim Hyun-jung) (Statement after mic off) And briefly, PIPC Chairperson, I have one question. The matters I just pointed out—those clearly constitute illegal profiling in violation of Article 15 of the Personal Information Protection Act regarding collection without the data subject's consent, and Article 18 concerning use beyond the stated purpose. In relation to this, I believe the PIPC should also investigate this grave matter of using personal information as a surveillance tool. Will you do so?

(PIPC Chairperson Song) We will examine it closely.

(Rep. Kim Hyun-jung) Don't just examine it.

(PIPC Chairperson Song) What I mean is... We will identify whether there are any potential violations of the Personal Information Protection Act and conduct further investigations if necessary.

(Rep. Kim Hyun-jung) Please make sure to report on that as well.

(PIPC Chairperson Song) Yes, I will.

(Chairperson Choi Min-hee) Rep. Lee Yong-woo, please proceed with your questions.

(Rep. Lee Yong-woo) Witness Rogers... Witness Rogers, please come next to Witness Park Dae-jun. Please put up the PPT. I am Rep. Lee Yong-woo from Seo-gu Eul, Incheon. I will focus my questions on Witness Rogers and Witness Park Dae-jun.

Yesterday, you repeatedly poured out statements – Witness Rogers claiming he doesn’t know the truth of the matter, and Witness Park Dae-jun insisting he doesn’t remember and had no involvement in the handling of Jang Deok-jun’s industrial accident. I will reveal that these are acts of perjury. I will also present new evidence of Kim Bom-suk and Coupang’s crimes in concealing industrial accidents. I’ll be watching to see if you continue to repeat the same excuses.

(Referring to the screen) It was revealed yesterday that on October 23, 2020, when the Ministry of Employment and Labor asked for the submission of the deceased’s work description, Witness Rogers sent an email directing that it must be emphasized more that the work was not physically straining, stating that the Excel file did not show that well.

Then, on October 24th, three days before the Environment and Labor Committee’s National Assembly audit on October 26th where Coupang CFS executive Eom Seong-hwan was to attend, Coupang brought 8 CCTVs from Daegu, where Jang Deok-jun worked, to the headquarters in Songpa-gu for analysis. Recently, the image of employees gathered to analyze the video at that time was revealed in the media. Look at the screen. This part was disclosed.

Now I will show you photos that haven’t been released. Let’s look at the next screen. At least 10 people are gathered analyzing the video. Regarding Jang Deok-jun’s industrial accident death case, executives are focusing this much on giving instructions and they are conducting analysis as such. You can also see the description of Jang Deok-jun’s appearance posted by date on the monitor hanging on the office wall so employees can find it easily. If you look at the right side, you can see the dates 5th, 6th, 7th, 8th, 9th, and 11th listed with slightly different appearances of him for each date. On the bottom left, you can confirm it is a Coupang building as it says “5Rocket Delivery”.

This is a memo recording Jang Deok-jun’s movements down to the minute and second after watching the video. This is the very memo Kim Bom-suk instructed: “Make sure no notes about him working hard are retained.” Several memos like this were written, and on the 24th and 25th, the analyzed data was reported to Chairman Kim Bom-suk in the form of an Excel file. Then, Chairman Kim Bom-suk’s message of reprimand on the 25th, saying “This is not what we need. This is not going to help us in the National Assembly tomorrow morning,” was also revealed to the media. That revealed message is the red one, the message on top.

What we need to pay attention to here is not only Chairman Kim Bom-suk’s message. The person being reprimanded responds by apologizing and then provides an explanation. This is the part disclosed for the first time. If you look at the content, the black section at the bottom says: “Since Friday night—Friday being October 23— we have been working on this non-stop, exactly against the framework from DJ and also reviewed by HL. And I have been providing nearly hourly updates on our findings to DJ, the team, HL, and others.” The names DJ and HL appear repeatedly. As the two witnesses admitted yesterday, these refer to Park Dae-jun and Rogers.

Looking at the content, it shows that the video analysis report on Mr. Jang Deok-jun, which was reported to Chairman Kim Bom-suk, was being updated and reviewed almost hourly by Witness Park Dae-jun and Witness Rogers. This confirms once again that these two individuals were deeply involved in the analysis of Mr. Jang Deok-jun’s work video, which was carried out under Chairman Kim’s instructions.

To the two witnesses: Even after this, do you still maintain that you were not involved, never received instructions from Kim Bom-suk, and have no recollection of this? Please answer. Witness Park Dae-jun and Witness Rogers, please respond in order.

(Former CEO Park Dae-jun) Regarding the content of the message earlier, since I was not included in that... (Interrupted)

(Rep. Lee Yong-woo) No. Please answer concisely regarding whether you recognized this or received instructions.

(Former CEO Park Dae-jun) As I said yesterday, the fact that we analyzed the CCTV footage of the late Mr. Jang Deok-jun's work... (Interrupted)

(Rep. Lee Yong-woo) I will continue, so both of you answer at the end.

Why did Kim Bom-suk get so angry after seeing that work log, saying: "Make sure no notes about him working hard are retained. Why would he be a hard worker? That does not make any sense. It does not make sense. They are hourly workers. Paid by hour, not performance"? I will show you the exact Excel file that was reported to Chairman Kim Bom-suk at the time. This Excel file is also being disclosed for the first time. The file name is "video review result 20201024." This means the file was created on October 24, 2020. It details Mr. Jang Deok-jun's movements captured by a total of six cameras, organized in both English and Korean. They are recorded down to the very minute and second; if you look at the details, it says: "Moved by stairs to return on time at 23:20 after his meal." You can see that the same content previously written by hand is entered here. If you continue to look slowly at the screen, are there any mentions of drinking water, socializing, standing around, walking without any load, or going to the restroom—things Kim Bom-suk expected? All we see is him working, and nothing else.

I ask once again. Witness Rogers and Witness Park Dae-jun, did you, or did you not, receive and review these hourly updates? Please answer at the end. Clearly answer whether you are still denying the authenticity or claiming you don't remember. Let's look at the next screen.

Under the Act on Testimony and Appraisal before the National Assembly, the crime of perjury is punishable by 1 to 10 years of imprisonment. There is no option for a fine. If you confess before this hearing ends, your sentence can be reduced or exempted. Witness Park Dae-jun, recognize this clearly and answer at the end.

(Former CEO Park Dae-jun) Yes, I understand.

(Rep. Lee Yong-woo) In response to the death of a young worker, what on earth has Coupang, a large conglomerate, done by mobilizing about 30 people, including the owner, CEO, Chief Administrative Officer, and high-ranking executives? Even now, five years later, why is it nothing but a mountain of excuses, lies, and hypocrisy?

MOEL Minister and NPA Acting Commissioner General, I have a request. They have been booked by the police on charges of occupational negligence causing death and instigation of evidence destruction. The Ministry of Employment and Labor as well; the crime of instigating the concealment of industrial accidents, the crime of concealing industrial accidents, and the crime of causing death by violating the Occupational Safety and Health Act... (Mic off)

(Statement after mic off) All charges including the crime of obstructing the investigation into the causes of industrial accidents have been filed, and an investigation must be conducted upon recognition. As the respected member Park Hong-bae stated and as I have also said, a compulsory

investigation including immediate search and seizure must be initiated right now. I order a strict and prompt investigation once again.

(MOEL Minister Kim) I will do so.

(Rep. Lee Yong-woo) Minister and NPS Acting Commissioner General, please state your positions regarding a compulsory investigation including search and seizure. Witness Park Dae-jun and Witness Rogers, please state your positions.

(MOEL Minister Kim) I view this matter very gravely, and since it has been brought to our attention, we will investigate swiftly.

(Rep. Lee Yong-woo) Please answer regarding the compulsory investigation as well.

(MOEL Minister Kim) We will uncover the truth quickly and accurately, including everything. That is all.

(Chairperson Choi Min-hee) The NPA Acting Commissioner General, please answer.

(NPA Acting Commissioner General Yoo) I believe the relevant investigation team will proceed swiftly after undergoing a legal review and determining the necessity of the investigation.

(Chairperson Choi Min-hee) Witness Park Dae-jun and Witness Rogers, you are being asked if you would maintain your testimonies from yesterday. Please answer now.

(Former CEO Park Dae-jun) I'll answer first. At that time, as I said yesterday, regarding the fact that the CCTV footage was analyzed at that time, I remember seeing these movements because the overwork death incident involving Mr. Jang Deok-jun occurred for the first time. But as for exchanging messages like the ones mentioned, I have no recollection of that.

(Chairperson Choi Min-hee) Mr. Rogers, please answer. It's very simple—do you stand by your testimony from yesterday?

(Coupang CEO Harold Rogers) (Original statement) As to those documents, my understanding is they came from an executive who was terminated for workplace misbehavior. As to the review of CCTVs, as I testified yesterday, my understanding is that we worked on, the team worked on CCTV to respond to the government investigation. And we cooperated fully with the government and their investigation. I believe it was MOEL and perhaps KCOMWEL as well.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Regarding these documents, to my knowledge, they were provided by an executive whose contract was terminated for workplace harassment. As for the CCTV, as I testified yesterday, our team analyzed it to respond to the government investigation. And we fully cooperated with the government and its investigation.

(Chairperson Choi Min-hee) That means he maintains his testimony, Rep. Lee Yong-woo. Rep. Oh Gi-hyoung, please proceed with your inquiries.

(Rep. Oh Gi-hyoung) Rogers, yes, the CISO, please step forward for a moment. Please show the first slide. I'll now proceed with my inquiry. (Referring to the screen) I am checking once more what was discussed yesterday additionally. According to Mr. Matthes's testimony yesterday, the master key—the signing key—was stolen around April 2020. Is that correct? What is your understanding of when the actual theft took place?

(Coupang CISO Brett Matthes) (Original statement) No, I said the master key was stolen at some stage before the ex-employee left the company at the end of 2024. The fallback signing key.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I believe the master key...

(Rep. Oh Gi-hyoung) The signing key.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I stated that it was stolen before the employee's resignation, around late 2024. I'm referring to the signing key.

(Rep. Oh Gi-hyoung) You are saying that it was stolen at the time of resignation at the end of 2024, is that correct?

(Coupang CISO Brett Matthes) (Original statement) It was taken. It was stolen before he left the company. He left at the end of 2024.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Yes, it was stolen before he resigned. He left in December 2024.

(Rep. Oh Gi-hyoung) So it happened before that. Understood.

Next, regarding AWS Vault—yesterday, Professor Kim Seung-joo pointed out that HashiCorp Vault was used, but there was no integration with KMS or HSM, which was acknowledged. Here, my question is: at that time, operating without such integration—without integration with KMS or HSM—did that comply with global standards?

(Coupang CISO Brett Matthes) (Original statement) My understanding is and via audits as was confirmed we were operating in alignment with the global standards. We have ISO 27001 and (Inaudible)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) To my knowledge, and as confirmed through audits, we operated in compliance with the global standards. We were ISO 27000 certified.

(Rep. Oh Gi-hyoung) The ISO is not the point; you are claiming that regarding the point of not having integration, that itself was appropriate, right?

(Coupang CISO Brett Matthes) (Original statement) My claim is that the way we were operating our keys is in alignment with the global standards. I do concede we can improve the way that we handled that key, and we will make improvements.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Our key management practices complied with global standards. However, we acknowledge there was room for improvement in how we handled keys, and we are making those improvements.

(Rep. Oh Gi-hyoung) So there was room for improvement, so then did you supplement it in a timely manner based on the premise that there were deficiencies? Whether it was through patching or something else.

(Coupang CISO Brett Matthes) (Original statement) We will definitely take the learnings from this incident, and we will make improvements across our entire range of security.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) We will learn from this incident and will improve security across all areas.

(Rep. Oh Gi-hyoung) This means you are going to do that after the fact. That is enough for now. It means you could not do it at the scene at that time. I will move on to the next question – this time for the government officials. (To the CISO) That is all for you. I have no further questions for you.

Now, I'm addressing the government officials together. What we've been pointing out—and I hope the Joint Investigation Team and especially Deputy Prime Minister Bae Kyung-hoon will review this—

is that there were criticisms and points raised about the lack of technical management of the hacking systems. I ask that you look into the negligence and the lack of regular inspections on that point together.

Second, after that, because the supplementation was not done properly, does this not ultimately lead to the issue of compensation for damages? Because there is a problem with this overall system. As I mentioned yesterday, if information was accessible, that itself constitutes a violation of the Personal Information Protection Act, regardless of whether it was downloaded or not. Case law sees it that way, and technical experts also see it that way. So, I understand that liability for damages is being recognized.

Next page. As I mentioned yesterday, there are judicial precedents indicating that the actual compensation for damages is KRW 100,000 or more per person.

Look at the next page. If we assume approximately 33.7 million individuals for this case itself, wouldn't it be about KRW 3.37 trillion if we make that assumption? A scale of this magnitude is very serious. Looking at Coupang's financial statements, the total equity seems to be about KRW 3.5735 trillion. This would expose them to liability for damages amounting to nearly the level of their capital. I see this as a very material and serious case, but Mr. Rogers does not, so there is a serious difference in perception, and I think this point needs to be verified together.

Of course, there is a dispute over the facts. Whether the number of leaked records was only 3,000 or 33.7 million is contested, but that is a matter of verification, and I do not see any reason to accept Coupang's unilateral claim. Since this is something that will ultimately be verified by evidence—and I believe Coupang itself is aware of that evidence. I also believe U.S. investors and others in the capital markets are monitoring this issue. Given that this is a very serious and material case, I am raising the question of whether there is misleading information or a misstatement involved. Let me ask you just one thing from what was discussed earlier, Mr. Rogers. Earlier, you said that among the 3,000 records, 2,700 apartment entry codes—shared apartment codes were included. Is that correct?

(Coupang CEO Harold Rogers) (Original statement) That's correct. That's been confirmed through forensic analysis.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) That's correct. We confirmed it through forensic analysis.

(Rep. Oh Gi-hyoung) All right. That's enough. The people watching this broadcast need to understand—codes for 2,700 apartment buildings nationwide have been all compromised. That means secondary damage is possible. This is serious. And yet, knowing this, they say it's not serious. If damage claims are filed, imagine how massive the compensation would be in the U.S. Wouldn't this qualify for punitive damages?

Now, look at the next page. Let's see why Coupang is acting so arrogantly in this situation. In the U.S., there are class-action lawsuits and punitive damages. Companies fear that and speak carefully because they're worried about lawsuits in the U.S. But here in Korea, in front of the Korean government and the National Assembly, they act arrogantly. That shows a systemic limitation on our side. That's why I'm saying that we need to introduce class-action lawsuits this time. It is KRW 100,000 per person, but if you keep filing lawsuits and it costs KRW 1 million and 2 million, wouldn't people give up on the lawsuit?

On the next page, you'll see the iPhone battery case. In the U.S., there was a class-action lawsuit over iPhone batteries, and damages were claimed. But in Korea, because we don't have it, 400,000 people initially proceeded with the lawsuit filing process. But in the end, only 63,000 actually signed the

power of attorney for the complaint later. After going through the procedures in the first and second instance courts, people dropped out until nine hundred-something left, and in the appellate court, just seven people remained. Why? Because Korea doesn't have a class-action system. So, even though they are the same consumers of this iPhone battery, they received compensation in the U.S. but not in Korea. Because of this, it is pointed out that large corporations that have caused various damages, including personal information leaks, are arrogant toward consumers. There is a point being made that there must be social reflection and change regarding this. This is not just an individual observation but is being pointed out by many, so I am suggesting we organize and address this together this time.

Looking at the next part, the Ministry of Justice issued a legislative notice regarding the Class Action Act in 2020. I've also proposed a bill on that matter, among other efforts, and the government must review it once again this time. We will introduce the same bill. We will propose it in early January, and the key point is that retroactive application is possible. Because it is procedural law, not substantive law, retroactive application is possible.

So, let's process this bill in the first quarter of next year to apply it retroactively to the Coupang case. And we must show that by properly filing a lawsuit against Coupang on behalf of all 33.7 million people, they can face a class action in Korea just as they would in the U.S.; only then will such incidents not recur.

Therefore, KFTC Chairperson and PIPC Chairperson, you need to take responsibility and push this forward. Please share your opinions—both of you.

(KFTC Chairperson Ju) The KFTC is also pursuing a group action system corresponding to class action as a policy initiative. However, I think we can also sufficiently review the class action system as well.

(PIPC Chairperson Song) The PIPC has also already prepared to proceed with a group action system. Although it was proposed in December at the end of this year, it was discussed in the National Policy Committee to re-propose it in January of next year after having more sufficient discussions.

Regarding the meaning of group actions, there are provisions for group actions in Article 59 of our Personal Information Protection Act, but currently, it only contains content regarding the prohibition of acts. There is no content on monetary damages. So, if we first include this to make monetary damages possible and create a legal basis, there is a mechanism where certain settlement standards are prepared through collective dispute mediation in advance. Then, in a structure leading to a group action, we will have a legal system where actual monetary damages can be received.

This is the European model, and since it is a structure where only participating users can receive compensation, efforts to inform as many people as possible and encourage participation must be carried out in parallel. Instead, if the class action system you mentioned is introduced—which is the U.S. style—it is typically an opt-out system, so unless one makes a separate declaration of intent to be excluded, everyone is included and receives compensation or damages. Proposals for such collective compensation have been made, and I just heard that Representative Oh will also be proposing one, so we will actively participate in those discussions.

(Chairperson Choi Min-hee) That's enough for now. I think the message has been clearly delivered. Deputy Prime Minister, you're the head of this TF team, correct?

(Deputy Prime Minister Bae) That's correct.

(Chairperson Choi Min-hee) The Ministry of Justice isn't present here right now. But are the bills related to the Ministry of Justice also being prepared? Do your comprehensive measures encompass

the drafting of plans to provide the legal support?

(Deputy Prime Minister Bae) Although the Ministry of Justice is not part of the TF, we will cooperate with them and consider legal measures as well.

(Chairperson Choi Min-hee) So, please cooperate closely with the National Assembly during the legislative process regarding that matter. Rep. Yeom Tae-young, please proceed with your questioning.

(Rep. Yeom Tae-young) CEO Rogers, could you please step forward over here? We cannot see you from this side.

(Chairperson Choi Min-hee) Would it be alright if CEO Rogers moves next to Former CEO Park Dae-jun?

(Rep. Yeom Tae-young) Yesterday, I argued that the safety of Coupang delivery drivers is a matter for which Coupang must ultimately take responsibility. Do you agree?

(Coupang CEO Harold Rogers) (Original statement) Yes, my understanding is that we're responsible for the delivery drivers who work at Coupang, and we take that responsibility very seriously.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, to my knowledge, we take the safety of Coupang drivers seriously.

(Rep. Yeom Tae-young) You are also aware that a social agreement on parcel delivery services is currently being carried out among delivery companies to resolve the issue of workers' deaths from overwork, right?

(Coupang CEO Harold Rogers) (Original statement) I'm aware of that.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am aware of that.

(Rep. Yeom Tae-young) During the first and second rounds of social agreement on delivery services, Coupang CLS did not participate, claiming they were not a parcel delivery service provider because they directly hired their delivery personnel. Currently, it is registered as a parcel delivery service provider, so I believe it has an obligation to fulfill those social agreements. Do you agree?

(Coupang CEO Harold Rogers) (Original statement) I would have to discuss that with CLS. I haven't been involved in any of those discussions.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I believe discussions with CLS are necessary. I was not involved in those specific discussions.

(Rep. Yeom Tae-young) You say it is a matter Coupang should take responsibility for, but when we get into specifics, you say it is not something you were involved in. It is truly difficult for us to expect a consistent answer. I don't know if you are familiar with the concept of "business ethics." How do you say it in the U.S.? Don't you call it "fair play" or "business ethics"?

(Coupang CEO Harold Rogers) (Original statement) I have an understanding that both business morals and ethics—we take our morals and ethical obligations very seriously, as well as the law.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Coupang considers business ethics and morality to be extremely important. The same applies to the law.

(Rep. Yeom Tae-young) You should act that way, but because your words and actions are completely different, you continue to face criticism. A social agreement is ultimately a promise between business operators within a given industry; thus, based on the underlying spirit of "business ethics," if you

participate as another business operator within a framework promised among business operators, keeping that promise is business ethics. However, Coupang CLS that provides parcel delivery services is making excuses again, saying, “We do not have a direct responsibility because we did not directly participate in the first and second rounds of social agreement.”

Let’s look at how Coupang is handling the matters that other delivery companies agreed upon in the last agreement.

Excluding workers from sorting tasks and providing appropriate pay for work—these are not being done at all. Working within 12 hours a day and 60 hours a week—this is not being observed at all. Prohibition of shifting social insurance costs onto delivery drivers—they aren’t doing this either. I have personally confirmed all of these on site. When I went to the site, there were two reasons why the structure makes it difficult to adhere to the 60-hour week: the first was the definition of the start of work hours. This involves the issues of Fresh Bag retrieval and full-route sortation tasks. Coupang recognizes the start of work as the moment the driver scans a product while loading it. CEO Rogers, from what time does Coupang recognize the start of work for office staff?

(Coupang CEO Harold Rogers) (Original statement) There’s no official start time.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) There is no official start time.

(Rep. Yeom Tae-young) Based on office attendance time, I assume it would start from the moment they log in to the PC and access the intranet. But if they send a check-in text message to their supervisor via messenger, is that recognized?

(Interpreter) Representative, I am sorry. Could you please repeat the last question one more time?

(Rep. Yeom Tae-young) Is this time being excluded from the count?

(Chairperson Choi Min-hee) We are excluding it.

(Rep. Yeom Tae-young) I am saying this because the standard for office workers’ start times and the standard for on-site workers’ start times are different. For office workers, it’s usually when they log in to the PC and access the intranet, or there might be other ways to verify attendance. However, the problem with the fatal overwork of these physical laborers is that the set 12 hours a day and 60 hours a week are based on the time they scan items during loading; this means tasks like full-route sortation and Fresh Bag returns, which are physical labor, are not being recorded. For delivery workers, those tasks usually take 1 to 2 hours a day, and if that piles up for a week, it’s over 5 or 6 hours, and in a month, it’s nearly 20 hours. This ultimately becomes a matter of life and death. That is why the standards must be reset.

I believe you should first clarify how to define work hours moving forward, starting from when delivery drivers enter the fulfillment center and from when goods are loaded. What do you think?

(Coupang CEO Harold Rogers) (Original statement) Those representations are not my understanding of how our system works.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The details described here differ from my understanding of how our system operates.

(Rep. Yeom Tae-young) We have gone to the worksites and confirmed everything... Usually, delivery drivers disassemble Fresh Bags, load them onto rolltainers, take them to the sorting area, clean up the trash inside, and even perform sorting tasks. Doing all this takes more than 1 to 2 extra hours every single time. You are failing to confirm that these things are not included in working hours and are talking as if you don’t know. This is why such indifferent answers keep coming out even though

the issue of death from overwork continues to occur.

(Coupang CEO Harold Rogers) (Original statement) My understanding is that for Coupang employees, they are paid for every moment that they work.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) To my knowledge, Coupang employees are paid for every moment they perform labor.

(Rep. Yeom Tae-young) So, just as I requested data earlier, let's try the delivery experience together. I suggest we work together at a fulfillment center—not just for one day, but at least for a week—to see if those tasks are included or not, and what problems arise when those hours are exceeded. Are you willing to commit to this experience with me?

(Coupang CEO Harold Rogers) (Original statement) I would love to deliver with you. I've done it several times and think it's great experience. You're welcome to come along.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I will deliver with you. I myself have had such experiences a few times. If you wish, Representative, please join me as well.

(Rep. Yeom Tae-young) So, Minister of Employment and Labor, at the 5th meeting of the Social Dialogue on Parcel Delivery, there was an interim report on the health risks of nighttime delivery work. You received it, right?

(MOEL Minister Kim) Yes, I'm aware.

(Rep. Yeom Tae-young) Yes, and you know the report concluded that nighttime delivery should not exceed four days at most, correct?

(MOEL Minister Kim) I'm aware.

(Rep. Yeom Tae-young) And you also received the findings that nighttime workers experience much greater physical strain compared to daytime workers, right?

(MOEL Minister Kim) I'm aware.

(Rep. Yeom Tae-young) But as for Coupang, you know they work 5.5 days a week, and regardless of whether they're nighttime or daytime workers, they work up to 80 hours per week, correct?

(MOEL Minister Kim) I'm aware.

(Rep. Yeom Tae-young) This shows that the current standards our society holds and the level of labor Coupang imposes are completely different. So, although social dialogue is ongoing, please ensure that Coupang submits a plan to improve logistics operations within the timeframe of the social dialogue, and also address whether additional personnel will be deployed, how fair compensation will be provided, and even if fair compensation is given, the issue of exceeding 60 hours per week remains. Therefore, a revision of the criteria for recognizing working hours should also be included. That's what I think.

(MOEL Minister Kim) Yes, what you mentioned is something Coupang had already promised to do before the Ministry issued any directive, as far as I know.

(Rep. Yeom Tae-young) Yes. So, I think it is necessary to establish a process to enter the time of arrival at the logistics center or at the start of work into PDA. That way, tasks like handling Fresh Bags can also be included. It means that auxiliary work time should be counted as part of working hours.

And I believe it's also essential to have measures to ensure that the exclusive retrieval of Fresh Bags is not passed on to the drivers.

(MOEL Minister Kim) I agree.

(Rep. Yeom Tae-young) As you can see, matters that are generally treated and recognized as labor in our society are being handled separately and exceptionally at Coupang. And yet, they have no sense of concern about this.

CEO Harold Rogers, please make sure to comply with Korean regulations in the Korean society and run the business in a way that agrees with the general perception framework of Korean people...
(Mic off)

(Chairperson Choi Min-hee) Rep. Son Myung-soo, please proceed with your questions.

(Rep. Son Myung-soo) The personal information of Korean citizens has been compromised. It's been leaked. People are anxious. So, what should be done? A very basic, common-sense response would be: "This is a serious issue. It was wrong. We will fix it. And if there is any damage, we will take responsibility." That's the normal attitude. But Coupang has been lying, ignoring the situation, and maintaining an arrogant stance.

Companies are judged by their customers. Technology will be evaluated, yes, but when problems occur, the response to those problems is what gets evaluated. And right now, Coupang's attitude scores zero.

Why do they keep showing such arrogance? It seems they have confidence that no matter how arrogant they act, Korean citizens will continue to use Coupang — confidence as a monopoly. And they seem to believe that if they spend some of the money they earned in Korea and do a bit of lobbying, no one will touch them. Is that true? It looks like they're underestimating the Korean people.

Yesterday, I didn't even bother asking Coupang any questions. Why? Because their attitude is so hopeless that I have zero expectation of improvement. Now is the time for the Korean people to show them, and for Korea to enforce the law strictly. If there are loopholes in the system, we should fix them and demonstrate that any unfair practices will be met with appropriate punishment.

Please pull up the presentation deck. The need for platform regulation has been starkly revealed in this case.

When Coupang first introduced the WOW membership, it was KRW 2,900 per month. Then it raised the price to KRW 4,900 and later to KRW 7,890. During that process, it bundled Coupang Play and Coupang Eats. Even now, despite this serious situation, Coupang's revenue remains largely unaffected.

I looked into why. This free bundling of Coupang Play and Coupang Eats has had a major impact. If there were healthy competitors, customers would leave immediately, and Coupang could never maintain such arrogance. But with the confidence that customers won't leave once locked in by bundled services, Coupang disregards fair market competition and continues with an arrogant attitude. By leveraging its market dominance to link services, Coupang completely ignores the risks of data integration.

Next, simply because it is an American company, while earning over 90% of its revenue in Korea, it

blatantly disregards Korean laws, acting as if no one can touch it—showing utter arrogance.

Next, it seems our current Fair Trade Act has limitations. Chairperson?

(KFTC Chairperson Ju) Yes.

(Rep. Son Myung-soo) Under the current Fair Trade Act, we don't consider bundled services like (Coupang) Play or OTT when assessing market share, so we cannot accurately determine market dominance. This needs to be addressed. Next.

Next, our Fair Trade Act relies on ex-post regulation. There is no ex-ante regulation, which is a limitation. We need to designate gatekeepers in advance and regulate them proactively, but our fair trade laws falls short.

Next, let's look at other countries. The EU, through the Digital Markets Act and the Digital Service Act, prohibits gatekeeper platforms from favoring their own products, banning more than 18 practices. As for penalties, violations can result in fines of up to 10% of global annual revenue, and up to 6% of global annual revenue under the DSA.

Next. The UK is similar. Under the Digital Markets, Competition and Consumers Act, companies with strong market power and strategic positions are designated as having Strategic Market Status. Penalties are severe—up to 10% of global revenue, or 5% of daily revenue, or a combination of both.

Next, I'll move quickly as time is short. Japan is the same—they also have similar laws in place. Why can't we?

Next, Coupang insists it complies with U.S. law. Is that true? No. Amazon is currently facing litigation under the Sherman Antitrust Act for clear self-preferencing and anti-competitive practices—such as prioritizing its own branded products in search results and restricting Prime shipping delivery pricing for sellers who refuse to use its logistics services. Microsoft, Google, and Apple are in similar situations.

Next. Korea urgently needs institutional improvements to preemptively regulate monopolistic and unfair platform practices.

Next. We haven't been idle. In the 21st National Assembly, 22 related bills were introduced, and in the 22nd, 22 bills on the Online Platform Act have already been proposed. Yet over 40 U.S. House members sent letters of protest. Likely a result of lobbying. Vice Minister of Foreign Affairs, should Korea not make its own laws because of such letters from the House?

(MOFA Second Vice Minister Kim) Lobbying by companies to the U.S. House of Representatives is something that happens separately within the United States.

(Rep. Son Myung-soo) Yes, of course. Would it make sense for the Korean government to be unable to make laws, just because it received a letter of protest? (Mic off) Chairperson of KFTC, what do you think about this?

(KFTC Chairperson Ju) Yes, in any case, Korea is in a situation where we haven't implemented the kind of ex-ante regulations that most advanced countries have adopted. Even our ex-post regulations are weak because the legal framework in Korea imposes very weak economic sanctions on companies.

So right now, we are creating an environment where global corporations like Coupang can come into Korea and take full advantage of an environment that allows labor exploitation, consumer deception, and even exploitative practices between companies. That's why we need to strengthen ex-post regulation as soon as possible, and as for ex-ante regulation, I believe the legislature needs to take a more proactive role.

(Rep. Son Myung-soo) (Statement after mic off) It is now time for the National Assembly of Korea to step forward, and for the government of Korea to demonstrate strict enforcement of the law.

(Chairperson Choi Min-hee) Rep. Park Hong-bae, please proceed with your questions.

(Rep. Park Hong-bae) Yesterday, CEO Rogers said he was unaware of any evidence that night work is more strenuous than day work. That was his answer.

He claims to be the employer of 100,000 people, and among them, tens of thousands work fixed night shifts every day. The reason he answered like that isn't because he doesn't know Korea or doesn't understand the workplace or business. This is confirmation bias — a belief, almost like a religion. That's how I see it.

Minister of Employment and Labor, the fact that night work increases the risk of cardiovascular disease and industrial accidents — that's a globally, and already established fact, isn't it?

(MOEL Minister Kim) Correct.

(Rep. Park Hong-bae) That's why in Europe, there's an 8-hour cap on night work per day, a guarantee of 11 consecutive hours of rest, and countries like Norway and Finland prohibit consecutive night shifts for 4 and 5 days respectively. Denmark, Australia, and Canada ban more than 8 to 12 night shifts within a 4-week period. That's the reason, isn't it?

(MOEL Minister Kim) That's correct. Night work... yes.

(Rep. Park Hong-bae) But in Korea, we only have rules for extra pay — no limits on total working hours. So Coupang is making workers do grueling night work for long hours, 5.5 days a week, all year round, 365 days. So last week, I believe you also received the report. Did you see the interim report from the occupational medicine team?

(MOEL Minister Kim) Yes, I did.

(Rep. Park Hong-bae) Yes, the report suggests alternatives such as a cap of 12 days per month, a weekly limit of 52 hours, and restrictions on consecutive night shifts. Correct?

(MOEL Minister Kim) That's correct.

(Rep. Park Hong-bae) The idea is to propose the minimum safety standards to prevent accidents and illnesses caused by night work. You've also been visiting Coupang's logistics centers continuously, and I understand the Ministry of Employment and Labor has been conducting a survey on night work conditions since the 10th of this month. And you said a full-scale investigation will be completed by June next year, and in September, regulations on night work hours will be announced.

(MOEL Minister Kim) Yes, that is correct.

(Rep. Park Hong-bae) But in the meantime, night work will continue, and workers will die because of

it. What should be done about that?

(MOEL Minister Kim) So according to the research, the expert reports... Regarding the claim that night work is no different from day work... you don't need an expert's opinion on this; it's common sense that anyone who works would know. The biggest issue proven is that blood pressure does not drop even during sleep. That leads to cardiovascular... (Audio overlap)

(Rep. Park Hong-bae) Minister, sorry to interrupt. What I want to say is this: Coupang is doing everything it can to delay implementing the social dialogue agreement, even by a month. Meanwhile, the Ministry's plan — a survey until June and announcing night work standards in September — is far too complacent. These timelines need to be shortened. And if the occupational medicine team strengthens the evidence and provides solid grounds, then even before amending the law, I believe night work should be regulated through directives or guidelines. What do you think?

(MOEL Minister Kim) I agree. But that timeline applies to general night work regulation overall. In Coupang's case, since it's a special situation, we will take measures regardless of that timeline.

(Rep. Park Hong-bae) Yes, please move it up as much as possible.

(MOEL Minister Kim) Yes.

(Rep. Park Hong-bae) And Coupang probably noted in its 2021 SEC filing the risk of business model changes due to worker reclassification. They will likely have to file night work regulation as a new risk factor.

As for Coupang's compensation plan, many National Assembly members criticized it yesterday. I argue that the so-called KRW 1.685 trillion compensation is actually less than KRW 500 billion at most. Yesterday, all the Assembly members here said they would not use it. I won't use it either.

A pair of socks priced at KRW 33,000 — honestly, even customers who haven't left Coupang probably won't use that. I'd say the maximum likelihood of usage is only about 50%. Didn't Coupang calculate this? Of course they did. This is what we call breakage revenue.

Anyone here from Coupang knows the calculation of breakage revenue, the figures? No, right? Even if you know, you'll say you don't.

Once the expiration date passes, the value disappears. So the actual total compensation isn't KRW 1.685 trillion— it's calculated at around KRW 840 billion. But is that 840 billion in cash outflow? No. It all goes back to Coupang. And additional purchases will accompany it. Everything will be recaptured by Coupang, and since customers will buy products directly purchased by Coupang, factoring in the margin rate, etc., it can't exceed KRW 500 billion.

But do you think Coupang will tell its shareholders, "We're spending about KRW 500 billion on this compensation plan to fix the issue"?

When SB Investment Advisors say to Coupang, "Let's have a private IR meeting. Why did you announce such a large-scale compensation plan?" I'll bet KRW 50,000 that Coupang will say 100%, it is not KRW 500 billion, not even KRW 300 billion, and "this measure could actually help our business." Just like they've been saying all along that this issue doesn't significantly impact operations, they'll frame it as a move that benefits the business. This compensation plan that deceives Korean consumers — does Coupang have any intention of withdrawing it? CEO Rogers, please answer that at the end.

Finally, regarding the question Rep. Lee Yong-woo raised yesterday about Mr. Choi Sung-rak and the lawsuit seeking cancellation of approval for his industrial accident claim. Mr. Rogers kept insisting that Coupang has the right to file lawsuits in Korea under Korean law. Coupang filed a lawsuit because they have the rights. But just a bit earlier, he talked about ethics — said it was important. That's contradictory.

This case started when a worker who had been on fixed night shifts for about six months since October 2010 died of a myocardial infarction. The issue arose because the schedule and location for the KCOMWEL Committee's review was not notified. So the family reapplied for approval, and it was granted. Then Coupang filed an appeal to cancel the payment decision — and dragged it into an administrative lawsuit.

The reason Coupang gave for suing and putting this bereaved family back in court is as follows. If the industrial accident is recognized, labor inspections could be tightened. We may become disadvantaged in civil lawsuits. Industry-wide insurance premiums could rise. So, to avoid stricter inspections, higher compensation, and increased insurance premiums, Coupang drove a nail into the hearts of a family of a worker lost at their site — and then (Mic off) talks about ethics? While this continues, Korean consumers' boycott of Coupang will never stop.

Even now... yesterday I thought maybe Mr. Rogers didn't know about Mr. Choi's case. If you were briefed last night and believe this is not a matter to keep dragging through lawsuits, then tell us now: will you immediately stop the litigation?

(Chairperson Choi Min-hee) Please answer briefly. Do you intend to stop the lawsuit — yes or no?

(Coupang CEO Harold Rogers) (Original statement) My understanding is there are legal requirements around workplace accidents. Using the courts that exist so that we can make sure that both companies and the government are following legal standards — I believe that's our right and our duty as a company (Inaudible).

(Coupang CEO Harold Rogers) (Simultaneous interpretation) To my knowledge, there are legal requirements regarding workplace accidents. We have the right to use legal procedures as a company.

(Chairperson Choi Min-hee) That means they will not stop. Rep. Park Hong-bae, I confirm there is no intention to halt the lawsuit.

(Rep. Park Hong-bae) (Mic off) This is very exceptional. Nobody do that.

(Chairperson Choi Min-hee) Chairman of the Financial Services Commission, you may leave. Since Vice Chairman Kwon Dae-young will remain on his behalf, we can direct our questions to him. Rep. Noh Jong-myun, please proceed with your questions.

(Rep. Noh Jong-myun) I should probably make this a point of order, but to keep focus:

Mr. Rogers keeps claiming that the Korean National Assembly is restricting his right to speak, not interpreting his words properly, and not giving him a chance to respond. He keeps repeating this. I need to clarify how unilateral and illogical this claim is before I ask my questions.

He raises doubts about interpretation accuracy, but what I see is a deliberate disregard for Korea's interpretation system and an attempt to foster distrust toward the National Assembly. And let me state clearly: the very arrogant and disrespectful attitude, and even the nuance hidden behind what he says is being interpreted accurately.

He also claims he's not given a chance to respond. We've repeatedly told him to understand the rules of the Assembly, but he refuses to follow them. When asked a multiple-choice question, he should answer in a multiple-choice format. Instead, he gives subjective, narrative answers. When asked a yes-or-no question, he responds with long, rambling statements. That's basically a violation of the rules.

Let me give an example: If we ask, "Is Kim Bom-suk responsible?" the possible answers are: Yes, No, or Cannot judge. Is there any other option? But Mr. Rogers repeatedly answers, "I am in charge of Coupang... the CEO of Coupang Korea." We know that. That would only be a valid answer if the question were, "Who is the CEO of Coupang Korea?" and the next step will be discussing the grounds of whether Kim Bom-suk is responsible for this. By answering this way, he is deliberately obstructing progress to the second stage of the discussion.

Let me give you another example. He said he doesn't know of any evidence that night work is tougher. As our respected Rep. Park Hong-bae pointed out earlier, this is a global standard that everyone knows. You can't possibly not know. You call yourself a U.S. lawyer, don't you? Even in the U.S.—where regulations are considered weak—night work comes with extra pay. For minors and pregnant women, it's prohibited or restricted. When this is such a universal standard, how can your system be maintained in such manner? Are you really a U.S. lawyer?

This shouldn't even be a debate—you know it. If you don't, you are a fool. Yet you toss out these arguments to provoke opposition and obscure the core issue. In Korea, we have an expression: "I can hear you scheming." But this time, you miscalculated. That attitude, that so-called strategy – what you may think is a strategy – is only inciting public outrage, triggering a National Assembly audit, prompting strong investigations and sanctions by government agencies, and inviting criminal punishment. You're bringing this trouble upon yourself and making things worse.

Let's look at the PPT. Evidence that is unfavorable to you and extremely damaging to Kim Bom-suk has been presented, and now you've come up with a new tactic—questioning whether it has been authenticated. So yesterday, I asked why you didn't verify it when you clearly could have. Here are Kim Bom-suk's messenger conversations. If you ask him directly, you can confirm the facts immediately.

Next, let's look at the email. Our respected Rep. Lee Yong-woo accurately addressed this, and similar evidence was also presented. Yet again, you question its authenticity. You can confirm them; verify them yourselves! You have all the emails.

And Rep. Lee's comments were reported exactly in the media. Let's take a look. The Signal chat logs and emails—like the ones we just saw—were submitted as evidence in court during your lawsuit with the executive you claim to have dismissed. You did not contest these materials. In fact, your own written opinion used these materials to support your position. Yet now you claim you don't know if they're genuine? Asking "Have you authenticated this document"?

While framed as a question about authenticity, it was essentially a statement of denial—because the authenticity of this evidence was fully verifiable, and you had already raised no objections during the lawsuit. Your intentional questioning about authenticity was basically a testimony that "I have not done it", denying it. I believe this is perjury. Therefore, when filing today's perjury complaint, this response must be included. Let me make that absolutely clear. NPA Acting Commissioner General Yoo, please step forward.

To file perjury charges and to verify this matter, as our respected Rep. Park Hong-bae said, this

involves Coupang.com emails. So, Coupang can confirm them. If Coupang refuses to confirm, then those emails need to be secured through seizure and search by the police. Isn't that a matter of course, standard investigative procedure?

(NPA Acting Commissioner General Yoo) Yes, if perjury charges are filed and the investigation proceeds, any necessary compulsory measures should be reviewed and carried out promptly by the investigation team.

(Rep. Noh Jong-myun) Yes, I believe the anger of the public must be considered. The core issue connected to this case is the death of Mr. Jang Deok-jun, which Kim Bom-suk deliberately concealed, downplayed — essentially falsified. They tried to manipulate work records. That's the case.

The main culprit is Kim Bom-suk. But Kim Bom-suk is currently in the U.S. He's an American citizen. When an American commits a crime in Korea while serving as the representative of a Korean corporation, does Korean law enforcement have any way to secure his custody?

(NPA Acting Commissioner General Yoo) That would have to be done through mutual legal assistance in criminal matters.

(Rep. Noh Jong-myun) So there is a way to obtain custody through legal assistance, legal assistance in criminal matters, correct? Of course, the premise is whether Kim Bom-suk actually ordered the falsification — but based on the evidence emerging, the instruction to falsify is clear. That's why Mr. Rogers keeps asking whether the evidence is real. If it's real, then it's undeniable — “*bbabak*” in Korean slang.

So if charges are filed and the investigation proceeds properly, the police must not hesitate to work with the U.S. authorities to secure Kim Bom-suk's custody. I am convinced this is a national demand. Please consider this carefully.

(NPA Acting Commissioner General Yoo) Yes.

(Rep. Noh Jong-myun) And finally... you may go back to your seat now. Please make sure the interpreter conveys this clearly to Mr. Rogers. At the December 17 hearing, I told him to learn the Korean expression “*don-jjul*.” Today, learn another expression: “*beopkkuraji*” (legal loophole dodger). Ask the interpreter what it means.

(Chairperson Choi Min-hee) Rep. Lee Joo-hee has rushed in.

(Rep. Lee Joo-hee) Let's begin. From the very start of this incident, Coupang kept insisting it was not a data leak but an exposure, but in reality, they themselves recognized it as a leak and reported it to KISA. I questioned this before, and that's why they faced strong public criticism, right?

Today, I will once again examine how contradictory and concealment-prone the actions of Coupang's responsible parties have been.

Previously, we also discussed 8-K disclosure. On July 26, 2023, C... C... I mean the SEC. The U.S. Securities and Exchange Commission adopted the rules on Cybersecurity Risk Management, Strategy, Governance, and Incident Disclosure. Under these rules, a new provision was added—shown on the screen now—Form 8-K, Item 1.05, which concerns material cybersecurity incidents. If a registrant determines that a material cybersecurity incident has occurred, they must describe the nature, scope, and timing of the incident, and its material impact on financial condition and operating results, among other things. This is what it says.

And Coupang, on the 17th, filed a Form 8-K Item 1.05 disclosure regarding the personal data leak incident. This means Coupang itself judged this incident to be a very significant cybersecurity event. Witness Park Dae-jun?

(Former CEO Park Dae-jun) Yes.

(Rep. Lee Joo-hee) Do you agree that this leak of 33.7 million individuals' personal data goes beyond a typical hacking incident and constitutes a material cybersecurity incident?

(Former CEO Park Dae-jun) Yes. I believed so, and that's why I reported it as a leak.

(Rep. Lee Joo-hee) That's correct. But while you, as the then-CEO, said so, Witness Rogers stated in the previous hearing to the effect that it was not a material incident. Let's take a look.

This slide shows the SEC's summary interpretation of Item 1.05. Witness Rogers, the key point is that this provision is not about voluntarily reporting non-material incidents, but about mandatory disclosure limited to incidents where materiality has been determined. Is that correct? Answer briefly.

(Coupang CEO Harold Rogers) (Original statement) If you're asking about 1.05, that's correct. We've filed a material statement after the event. The initial event itself was not material under U.S. law, but it was very serious. We've consistently said it was very serious.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) If the question is about 1.05, yes, that's correct. We made a report regarding materiality. This is not considered material under U.S. law, but we regard it as serious.

(Rep. Lee Joo-hee) What does that even mean? Let's review the testimony Rogers gave at the last hearing. He said it was not a material incident and in terms of the sensitivity of the leaked data it was not classified as material, so there was no disclosure obligation. Does that interpretation align with the disclosure provision? Is that an accurate statement? It directly contradicts the legal meaning and interpretation of the disclosure item they themselves chose.

If Coupang had judged this incident as not significant, I believe they would have used Item 8.01 for disclosure. Next slide, please. The SEC has officially stated that when materiality is uncertain or the incident is deemed not material, companies are kindly advised to use Item 8.01 first. Witness Rogers, you're a lawyer, aren't you? You couldn't have been unaware of this. I'll ask again: Your previous claim that the incident was not material—doesn't that amount to a self-contradictory statement that denies the legal meaning of your chosen disclosure item after the fact?

(Coupang CEO Harold Rogers) (Original statement) No, I've been completely consistent. It sounds like there may be some misunderstanding between serious and materiality. When I speak of materiality, I am speaking of U.S. law. The initial incident, the data that was leaked, does not rise to being a material incident under U.S. law., which is why we did not make an SEC filing. Later on, given media and talks of very, very large fines, those things are also taken into account in determination of U.S. materiality. And later after the incident. So, it's not the incident in and of itself. We made that materiality finding as required under SEC law.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have been consistent in my statements. I understand there was confusion between seriousness and materiality. When I spoke of materiality, I was referring to U.S. law. The initial leak was not a material event under U.S. law, which is why we did not report it to the SEC. Later, the media reported that many additional details were uncovered, and based on that, a filing regarding materiality was made in accordance with SEC regulations.

(Rep. Lee Joo-hee) Let's stop here. (Audio overlap)

(Coupang CEO Harold Rogers) (Original statement) We've been consistent throughout on two points. One, this is very serious. (Audio overlap) And two, the initial incident was not material under U.S. law.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We have maintained a consistent position. According to U.S. law, the initial accident, incident was not material under U.S. law.

(Rep. Lee Joo-hee) I believe I've explained enough earlier, so I think all our citizens have seen how contradictory Mr. Rogers' remarks are. In other words, since Coupang itself determined that it was a cybersecurity incident significant to investors and even made a disclosure, it is already clearly a material incident.

Mr. Rogers, if you come to our National Assembly and try to evade responsibility after publicly disclosing this as a material cybersecurity incident, then let me make it clear: this is an act of deceiving not only Koreans, but also American investors – investors and consumers in both countries. Let's move on. Time is very short. I will continue asking Mr. Rogers.

In March 2020, Coupang announced that it would spin off its fintech business handling Coupay. Later, during the Coupang Pay spin-off process in July 2020, an illegal data feed posing a financial risk was discovered. The issue was about a data linkage structure that automatically and continuously connected Coupang Pay's electronic financial system with Coupang's data platform. According to reports, instead of fixing this, Coupang deleted the data feed right before the Financial Supervisory Service's investigation to conceal it. Is this true? Please answer yes or no.

(Coupang CEO Harold Rogers) (Original statement) I don't believe that is true. I don't believe we have concealed any evidence. We've reported various cybersecurity incidents that we've had. (Audio overlap) We've worked with regulators. We've paid fines over it.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not believe that is true. I do not believe we concealed any evidence. Regarding the cybersecurity incident, we reported to the regulatory authorities and... (Audio overlap)

(Rep. Lee Joo-hee) Okay, understood. Let's stop here. We have the answer now. You said there was no such fact and no evidence. But the slide I'm presenting now is clear evidence. This slide is a message sent by the former CPO to the then CFO, Alberto, on August 5, 2020. According to this conversation, it is clearly stated that "this data feed never went through any security or privacy review", and the person who ordered this was Kim Bom-suk. It is clearly written here. At that time, Coupang Pay CEO Kiro said this concealment was ordered by Bom. Isn't that right? Doesn't this clearly show that Kim Bom-suk deliberately ignored security? This explains why the major security disaster happened... (Mic off)

(Statement after mic off) There's no need to think deeply about this. Vice Chairman Kwon Dae-young, are you here? Vice Chairman Kwon Dae-young, I'll just take one brief comment from you and wrap up. Given the situation and the evidence presented, what legal violation do you think this corresponds to? And if this personal credit information was provided without the data subject's consent, isn't that a violation requiring consent? Looking at the issue from various angles, could you briefly share your thoughts?

(FSC Vice Chairman Kwon) We first need to verify the facts on this matter. I can tell you that our supervisory authority is currently reviewing, inspecting, and checking this issue. You raised a hypothetical scenario, but if this turns out to be true—if the information was provided without

consent—then it appears there could be a violation of the Credit Information Act. If evidence was destroyed, that would mean a violation of the obligation to maintain records and possibly obstruction of a government inspection. So, based on that assumption, yes, it could be possible. We will need to confirm the facts.

(Rep. Lee Joo-hee) (Mic off) Please look into it thoroughly.

(FSC Vice Chairman Kwon) Yes, we will conduct a proper review.

(Chairperson Choi Min-hee) Rep. Kim Woo-young, please proceed with your questions.

(Rep. Kim Woo-young) Witness Rogers, when you were in the U.S., which delivery services did you use? Amazon?

(Coupang CEO Harold Rogers) (Original statement) I've used Amazon and Walmart.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I used Amazon and Walmart.

(Rep. Kim Woo-young) As a customer, if information about the products you ordered were exposed to others, you would feel extremely uncomfortable and anxious, wouldn't you?

(Coupang CEO Harold Rogers) (Original statement) Will it make me feel insecure? I mean obviously we don't want order history to be public.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I would feel anxious. But I do not want my order history to be disclosed.

(Rep. Kim Woo-young) Exactly. Let's look at this PPT. This is the blackmail email the perpetrator sent to Coupang on November 25. It states of 120 million delivery addresses and 560 million order records.

Next slide. It says only part of the information was extracted and analyzed. And Rogers, you previously stated to the U.S. SEC that only 3,000 accounts were compromised and then deleted.

But the file attached to this blackmail email contains the following details: Here, the masked section is a name, next to it is "Busan Metropolitan City," then a detailed address, and other entries like Gwangju Metropolitan City, Seoul Special Metropolitan City, Jeollanam-do, Gwangju Metropolitan City, and so on. Alongside these are addresses and phone numbers.

Below that, there is "recent orders": September 26, 2025, KRW 8,900, 1 item, "Dearmood Transparent Silicone." Below that, September 1, KRW 37,200, 1 item, "Automatic Up-Down Piston Vibration Mode, Heating Mode," 1 adult product. The perpetrator attached adult product purchase information in the blackmail email sent to Coupang.

Rogers, whether it's you, your family, or anyone here, information about personal purchases—especially related to one's health or sexual life—is extremely sensitive and should never be exposed to others. Do you acknowledge that?

(Coupang CEO Harold Rogers) (Original statement) As we said, the cooperative investigation we're engaged in determined what exactly he said is correct. He retained only a small portion. Then he also deleted it. He never shared it with a third party. This is sensitive, and what the investigation has shown to date is that he never shared it with anybody and then deleted it.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) As I said, we conducted a cooperative

investigation to verify his claims. He stored only a small amount of data and deleted it afterward without sharing it with any third party. This is sensitive information, and while the suspect did store it, he stated that he did not share it with anyone and deleted it.

(Rep. Kim Woo-young) I don't want to add to the debate, but this kind of personal privacy information—serious and intimate—could even lead to digital sex crimes. The perpetrator attached this information in a blackmail email to Coupang. What do you think his intention was? This email was received by numerous Coupang employees. What was his intention? I believe he was signaling that he held critical information about Coupang and asking, "What exchange value will you offer me for this?" I'll follow up with additional questions later, but Rogers, you... (Interrupted).

(Coupang CEO Harold Rogers) (Original statement) Sorry, we have the... The government has the affidavit. We know the intent. The intent wasn't to extract money. The intent was to punish the company. He was upset about being terminated by the company. That's in the affidavit that the government asked.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The government has that statement, and his intention was not to receive money but to retaliate against the company out of resentment for being forced to leave.

(Rep. Kim Woo-young) Seeing you answer something I didn't even ask makes me think of the saying, "A guilty conscience needs no accuser." The person who sent the threatening email and Coupang met in China—what kind of negotiations and deals were made? I'll ask the police authorities about that shortly. But before that, Mr. Rogers, in early December, a securities report was published stating that "Korean citizens are insensitive to data leaks, once a one-time fine is paid the matter is over, and Coupang is a monopoly without alternatives". Regarding this JP Morgan report, Mr. Rogers explained that "Coupang had no contact whatsoever, and if such risks are exposed, we are instructed not to contact securities firms."

However, I did some research on JP Morgan. Please look at the PPT. JP Morgan is Coupang's sixth-largest shareholder, holding 2.25%. It is a related party. And it was the lead underwriter when Coupang was listed on the New York Stock Exchange. JP Morgan submitted a report stating that Coupang-related risks in Korea are not significant, that they are one-time issues, and even urged stock price rebound by calling it a buying opportunity. You claimed this matter was unrelated to JP Morgan despite the conflict of interest and related-party status. I consider that false testimony. What do you think?

(Coupang CEO Harold Rogers) (Original statement) You have to ask JP Morgan. We were not involved in that analyst report, nor can we be. I also believe their investment side is separate from their analyst side as mandated by U.S. law.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I was not involved in that analyst report and could not have been involved. Also, I understand that JP Morgan's investment division and analyst division are separated under U.S. law.

(Rep. Kim Woo-young) JP Morgan's report accurately reflects Coupang's current position. You have no intention of protecting Korean consumers or restoring trust, only obsessed with stock rebound and defending your share price in the U.S., blinded by greed... (Mic off) an entrepreneur should not act that way.

(Coupang CEO Harold Rogers) (Original statement) We've been protecting our customers. We had a successful cooperative investigation with the government. It was very successful. It protected our customers. Our customers are now protected. We know that their data has been deleted and

secured. Why isn't that being shared? This is a success story. Why isn't the government talking about that success and letting customers know their data is safe.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We have been protecting our customers. We successfully cooperated with the government and the investigation. It was a successful investigation. This will protect our customers. The data has been deleted and security measures have been taken, so customers can be safe. This is a success story—why isn't the government talking about this success story?

(Chairperson Choi Min-hee) Stop that. We're tired of hearing this, since yesterday, all of us.

(Rep. Kim Woo-young) (Mic off) If that's a success story, why are you here being questioned? A "success story"?

(Coupang CEO Harold Rogers) (Original statement) I am trying to speak the truth. I'm trying to get the truth out.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am trying to tell the truth.

(Rep. Kim Woo-young) (Mic off) After causing Korean consumers to lose their rights countless times, how is that a success story?

(Coupang CEO Harold Rogers) (Original statement) I'm trying to get the truth out. (Inaudible)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am trying to convey the truth.

(Chairperson Choi Min-hee) (Audio overlap) This is not the truth; it's just Rogers' one-sided claim. Rep. Kim Young-bae, you may start with your questions.

(Rep. Kim Young-bae) Please hand over the materials to Mr. Rogers and have the interpreter explain.

Yes, I'm Kim Young-bae, representing Seongbuk Gap, Seoul. Mr. Rogers has been insisting since yesterday that his words are not being interpreted correctly. To me, it sounds like he's saying, "I'm speaking properly, so why can't you understand, you fools? Listen carefully to my good words."

I've interpreted that correctly? Right?

Now, let's ask Mr. Rogers. The document I just gave you is the press release from the National Intelligence Service yesterday. You know what it says even without reading it, right? You were briefed yesterday?

(Coupang CEO Harold Rogers) (Original statement) Yes, (Audio overlap) the chairwoman talked about it yesterday.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes.

(Rep. Kim Young-bae) Good. Here, it says that yesterday you testified that an NIS employee, in other words a government authority—meaning a government agency—came and gave instructions, and that within the company there were no instructions, you just executed what the government told you to do. Is that still your position?

(Coupang CEO Harold Rogers) (Original statement) Yes, very much so. We engaged in a cooperative investigation with the national agency.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) That's correct. (Interrupted)

(Rep. Kim Young-bae) (Waving hand) If that's the case, then this could lead to a perjury charge. Looking at the NIS position here, it shows that Mr. Rogers is making completely false statements and releasing false information. Now, let's take this to court and uncover the truth. That's enough for now.

Please bring up the PPT.

Looking at the text on the PPT, this is something circulating online. Vice President Lee Jae-gul, the content says: I am a Coupang headquarters employee, and the Data Leak TF and Legal team are monitoring various communities. It's better not to post lies or things that can't be legally proven. Just out of my personal concern... This looks like an attempt to avoid legal liability. Are you aware of this?

(VP Lee Jae-gul) I'm not aware of it.

(Rep. Kim Young-bae) I thought so. Is it true that the Data Leak TF and Legal Team are monitoring various communities?

(VP Lee Jae-gul) I don't know if the Legal team is monitoring. As far as I know, the Legal team is not monitoring.

(Rep. Kim Young-bae) Fine. We'll uncover the truth later. This post is heating up online communities. If anyone at Coupang knows about this, please report it. I think this will become a serious issue later. Coupang caused a blacklist incident from 2017 to 2023, and recently there was a revelation that Prosecutor Um Hee-jun suppressed an investigation, which is now under investigation. This seems like a.... chronic criminal behavior continuing, and that's why I'm asking.

Now, back to Mr. Rogers... ah, let me ask VP Lee Jae-gul again. Was Chairman Kim Bom-suk informed about the instruction, currently under dispute with NIS, to meet this criminal..... the perpetrator, investigate, and verify evidence? Was it reported to Kim Bom-suk?

(VP Lee Jae-gul) I don't know.

(Rep. Kim Young-bae) Okay. Mr. Rogers, was this reported to Chairman Kim Bom-suk before or after?

(Coupang CEO Harold Rogers) (Original statement) I've reported all of these issues to the full board including the chairman.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) All these issues were reported to the entire board, including the chairman.

(Rep. Kim Young-bae) So, what was reported?

(Coupang CEO Harold Rogers) (Original statement) I ran through everything that's in our public filing about how we worked in cooperation with the national agency to recover the data and devices and bring them back to the Korean people as we were instructed to do. It was a very successful joint operation by the government.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Everything we disclosed was reported. I reported how we cooperated with the national agency to recover data and devices and return them to Koreans, and about our successful cooperation with the government.

(Rep. Kim Young-bae) If you're confident, can you disclose that report?

(Coupang CEO Harold Rogers) (Original statement) So that report was oral, but we are putting together at the request of several members of the National Assembly, all of that information about the joint cooperative investigation with this national agency, and we'll provide that.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We have already prepared that report in writing at the request of the members of the National Assembly. The details of the cooperative investigation between the government agencies have already been submitted.

(Rep. Kim Young-bae) As I said earlier, this position is completely different from the NIS. So if you're charged with perjury later, the truth will come out. This clearly constitutes obstruction of official duties—obstruction by deception—which is a criminal act. I want to make it clear that whom, when, and how this information was reported, and what instructions were given are all closely tied to critical criminal facts.

Now, Coupang announced the results of its self-investigation on its website earlier. Shouldn't this also be reported to the SEC in the U.S.?

(Coupang CEO Harold Rogers) (Original statement) It was reported in our filings. We've had that data (Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) That report is included in the file we submitted.

(Rep. Kim Young-bae) Good. Then if the government authorities, the government-wide task force, and police investigation results come out later, those should also be reported to the SEC, right?

(Coupang CEO Harold Rogers) (Original statement) I suppose it would depend. They've had the data for a month when it comes to our logs. They've had the data of the devices for two weeks. They have not reported to the Korean people the results.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) That will depend on the circumstances. The government agencies kept our logs for a month and held the materials we submitted for two weeks. (Audio overlap) (Interrupted)

(Coupang CEO Harold Rogers) (Original statement) We felt the moral obligation to let our customers know, and the Korean people know, the results (Audio overlap) of the cooperative investigation.

(Rep. Kim Young-bae) (Audio overlap) It's not about retention...

(Coupang CEO Harold Rogers) (Simultaneous interpretation) (Audio overlap) We have a moral obligation.

(Rep. Kim Young-bae) What you're saying now gives the impression that if it's unfavorable to you, the government might be unfair. When I asked questions yesterday, you kept insisting that you were actively cooperating with the government and doing exactly what they told you. So why is it that you cannot trust the findings of the government authorities, including the results of the government-wide task force, and, because you do not trust them, why do you claim that you cannot report them to the SEC? What's the reason?

(Coupang CEO Harold Rogers) (Original statement) They have all of the data. They have had some of

that data, the data logs, for over a month. They've had the devices for over two weeks. We're waiting to see their results. I don't know why they are not being shared with the Korean people, which is a successful operation. Why aren't they talking about this success. Why aren't you? Every time I try to talk about the investigation, which I think is the subject of these hearings, (Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The government has all the data. They had some of the data logs for over a month and held devices for more than two weeks. We want to see their results. We don't understand why they don't share this with Koreans or why they don't share the success of this operation. (Audio overlap)

(Rep. Kim Young-bae) (Audit overlap) You keep claiming they're not sharing, but the government will release its position soon. Wait a little. (Mic off)

(Chairperson Choi Min-hee) Rep. Kim Nam-geun, please proceed with your questions.

(Rep. Kim Nam-geun) I will begin once CEO Park Dae-jun and Audit Committee Member Yoon Hye-young of Coupang take the witness stand.

Please bring up the PPT.

Currently, there is significant public criticism that Coupang is disrupting market order, failing to uphold labor standards, and blatantly disregarding Korean laws and administrative regulations. Therefore, there is growing public opinion that we need to set Coupang straight. To do this, the government must play its role, enforce proper accountability through administrative measures, and establish systems that allow consumers and victims to seek redress and respond effectively to any harm.

In addition, the National Assembly must ensure that they are not swayed by the influence of U.S. lobbyists and that laws are enacted properly.

However, the most important factor is ultimately Coupang taking corrective action on its own. So, I believe Coupang must engage in socially responsible management.

Former CEO Park Dae-jun, during the meeting with Democratic Party lawmakers from the Euljiro Committee in 2024, you said that Coupang would pursue socially responsible management, correct?

(Former CEO Park Dae-jun) I stated that we would strengthen that commitment.

(Rep. Kim Nam-geun) You also said that you would not engage in business practices that draw social criticism, right?

(Former CEO Park Dae-jun) Yes.

(Rep. Kim Nam-geun) It's been a year. Do you believe you have done so? Do you think Coupang has practiced socially responsible management?

(Former CEO Park Dae-jun) I believe we have made efforts toward that goal.

(Rep. Kim Nam-geun) You think you made efforts? Then how do you explain the current situation?

(Former CEO Park Dae-jun) It was not intended, but I apologize.

(Rep. Kim Nam-geun) At that time, as a basic step toward socially responsible management, you said Coupang would stop retaliatory actions such as filing civil damage suits or criminal complaints against journalists for publishing criticizing articles, or against whistleblowers who reported issues like the blacklist, as well as against civic group secretaries and representatives of onboarded sellers. You said you would withdraw all such lawsuits. Have you withdrawn all of these actions?

(Former CEO Park Dae-jun) As I recall, there were about three cases at that time. I remember all were withdrawn.

(Rep. Kim Nam-geun) After that, did you ever file any retaliatory lawsuits for damages or criminal complaints? We have whistleblowers and journalists present here in the audience today. And since you have taken an oath, you could be punished for perjury. So, did you withdraw all of them? And going forward, will Coupang refrain from filing lawsuits or retaliatory complaints against whistleblowers, journalists, or civic group activists who criticize the company?

(Former CEO Park Dae-jun) As far as I recall, the cases discussed at that time were withdrawn, sir. As for the future, I have left the company, so...

(Rep. Kim Nam-geun) Audit Committee Member Yoon Hye-young, what about you? Will Coupang commit to socially responsible management and stop filing retaliatory lawsuits or damage claims against those who criticize the company?

(Audit Committee Member Yoon) Representative, I will take your comments seriously and make sure they are properly conveyed internally to the Board.

(Rep. Kim Nam-geun) When you keep speaking vaguely like that, isn't that precisely why people say, 'Will Coupang ever be properly held accountable? With its monopolistic power, it acts arrogantly like this, and in the end, it will take strong government sanctions and firm legislative action by the National Assembly to resolve the issue'?

Does Coupang feel even the slightest sense of responsibility for the way it is deteriorating?

I have a question for CEO Rogers. In the U.S., you call it "reckless," right? Recklessly delaying acknowledgment of responsibility, failing to pay compensation on time, or concealing documents. When that happens, you know it leads to punitive damages, correct?

(Coupang CEO Harold Rogers) (Original statement) It depends on the setting and the exact facts. The U.S. legal system is very nuanced.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) It depends on the circumstances and facts. Various nuances exist within the U.S. legal system.

(Rep. Kim Nam-geun) Since you are an attorney, a US attorney, you must be well aware that under U.S. case law, recklessly delaying acknowledgment of responsibility or concealing information can lead to punitive damages.

But if this were an American company operating in the U.S., it would never engage in such behavior. Yet here in Korea, when we look at Coupang, it is acting in a way that clearly qualifies for punitive damages—recklessly refusing to acknowledge responsibility, stalling, failing to submit requested documents, and concealing information. These actions are habitual.

Perhaps you think it's difficult to hold the company accountable because Korea has not yet introduced punitive damages or class action systems. But if a lawsuit were filed in the U.S., Coupang would certainly face liability for punitive damages.

So going forward, when responsibility needs to be acknowledged, it should be done promptly — provide the data on time, make direct compensation. That, in my view, is what corporate social responsibility management means.

Can Coupang change in that direction?

(Coupang CEO Harold Rogers) (Original statement) We will continue to work to abide by all the laws and regulations of Korea. That's our duty as a company, and we take that duty very seriously.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am making every effort to comply with all laws and regulations. This is our corporate duty, and we take that duty seriously.

(Coupang CEO Harold Rogers) (Original statement) We'll continue to do so. (Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We will continue to fulfill our obligations.

(Rep. Kim Nam-geun) (Mic off) All right, all right. I'm not asking to hear something obvious.....

I don't think Coupang is going to change. It doesn't seem like they will change, but anyway, in order to take social responsibility, there are various social dialogues taking place regarding Coupang.

This issue was raised even back when CEO Park Dae-jun was in office, right? There were also social discussions to prevent overwork deaths among delivery workers, so that during the night delivery process, delivery workers wouldn't die from overwork. Our committee members talked a lot regarding the Ministry of Employment and Labor's commissioned research on the risks of night delivery and the causal relationship with overwork deaths. I think you need to actively participate in those discussions to solve the problem.

Was that your stance when you were in office?

(Former CEO Park Dae-jun) Yes, we were participating with that mindset.

(Rep. Kim Nam-geun) However, it is not making much progress. Regarding night deliveries, according to the research commissioned by the Ministry of Land, Infrastructure and Transport... I mean, the Ministry of Employment and Labor, if workers put in 48 hours a week or more than 8 hours a day, the risk of death from overwork is high. If they are pressured to deliver quickly from around 6 a.m. until the end of the shift, the stress increases the risk of death from overwork. If they are assigned tasks other than delivery, such as sorting parcels or recovering Fresh Bags, the risk of death from overwork is high. These were pointed out, and other parcel delivery companies say they will not do such things and will comply with the guidelines. But Coupang alone has not given a clear answer and has not expressed the intention to properly implement these measures. Coupang is the least willing to engage in social dialogue. What do you think? When you, CEO Park, were in office, do you think Coupang actively participated in those social dialogues?

(Former CEO Park Dae-jun) I... At that time, we certainly recognized the importance of the death from overwork issue, and as you know, we engaged in discussions, including with workers, to find solutions together with government agencies. So yes, that is why we participated.

(Rep. Kim Nam-geun) (Mic off) Your approach has been too vague, which is why the matter is not being properly addressed. I will resume my questioning this afternoon.

(Chairperson Choi Min-hee) Representative Kim Hyun, please proceed with your questions.

(Rep. Kim Hyun) There has been a significant amount of media coverage today about how Mr. Rogers disregarded the National Assembly. Please bring that up on the screen. Mr. Rogers, have you seen this photo?

(Coupang CEO Harold Rogers) (Original statement) I did not see this picture.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have not.

(Rep. Kim Hyun) Media... Vice President Lee Young-mok, can you... No, that's okay, you can answer from where you are. Do you not monitor the media coverage and report it to the CEO?

(VP Lee Young-mok) (Mic off) Due to preparations for the hearing, separate reporting was not...

(Rep. Kim Hyun) You don't? Do not lie. Is your company run that loosely? Coupang, of all companies? You're a vice president, and you must have your roles in the organization, don't you? You're the VP in charge of communications. It was yesterday that the threatening remarks were made, saying the media wouldn't be able to run ads. How can you possibly not care about what the media will say about it today?

(VP Lee Young-mok) We usually through email...

(Rep. Kim Hyun) No, I asked if you're not interested.

(VP Lee Young-mok) We are interested.

(Rep. Kim Hyun) Then why don't you report?

(VP Lee Young-mok) Reports are usually sent by email, but I'm not sure if he saw them.

(Rep. Kim Hyun) Please sit down. Now, the next page. There was a media report saying Harold Rogers is the No. 2 at Coupang Inc. Interpreter, it says he's known as the second-in-command. Please ask if he agrees with that.

(Coupang CEO Harold Rogers) (Original statement) No, that's not how the company functions. I'm the general counsel (Audio overlap) and the administrative officer.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) No.

(Rep. Kim Hyun-jung) Okay, understood. He said no. Now, former CEO Park Dae-jun, please come forward. Pull up the PPT submitted to the U.S. Securities and Exchange Commission in April of 2025. There, you can see by shares... Can't you see? By shares... Zoom in, zoom in. It shows that Kim Bom owns the most shares, and Harold Rogers is second after Kim Bom, as the Korea representative. So doesn't that make him the second-in-command? By common understanding—common sense. Would you agree with that, former CEO Park Dae-jun?

(Former CEO Park Dae-jun) Shares... yes, shares...

(Rep. Kim Hyun) In capitalism, it's all about shares, right?

(Former CEO Park Dae-jun) Looking at the numbers...

(Rep. Kim Hyun-jung) And isn't it true that since 2020, when there were merger issues or when the company expanded aggressively, Rogers was involved? Correct?

(Former CEO Park Dae-jun) Uh...

(Rep. Kim Hyun-jung) Well, you weren't in a position to handle that, right? Because the business was in the U.S. It's an American company, so an American would handle that better. That's why Rogers was scouted, right? A legal expert, a fellow Harvard graduate. Isn't that correct? So that makes him the second-in-command, doesn't it? The reason I'm asking this is because earlier Rep. Hwang Jeong-ah asked whether he monitors changes in stock prices... You can sit down now. Rogers answered that he doesn't check. Is that true? Even though you hold such a large amount of stock, you don't check its fluctuations, Mr. Rogers? This attitude of disregarding and looking down on the Korean people and the National Assembly is being repeated.

(Coupang CEO Harold Rogers) (Original statement) What I said is that I don't look at it daily.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) What I said is that I don't check them every day.

(Rep. Kim Hyun) The question is whether you looked at the stock or not. The question is whether you looked at the stock or not — this is the key point.

(Coupang CEO Harold Rogers) (Original statement) Of course I see our stock price. I don't check it daily, which is what I said earlier. I've been in these hearings. We're busy running the business. This is not something that I look at daily.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I said that I do check the stock price, but not every day. I am busy attending this hearing and running my business. I cannot check it daily.

(Rep. Kim Hyun) Okay, but do not lie, and let me remind you that your record of perjury is accumulating day by day. No need to respond to this.

Regarding the consumer issue, could we have Ms. Yoon Myung from Consumers Korea join us? Please pull up the promotional message on Coupang's homepage. Thank you for your hard work yesterday and today. On Coupang's main page, there was a notice posted yesterday saying, "Additional guidance and information on purchase vouchers related to the personal information leakage incident." Did you see it? Yesterday— (audio overlap), you were present throughout.

(Yoon Myung, Consumers Korea) Yes, I did.

(Rep. Kim Hyun) It seems to me that this message at its core is a form of promotional solicitation. It was not meant to acknowledge Coupang's fault and provide compensation to the customers, but rather to run their own advertisement, thereby making fool of its customers. You issued a press release regarding the personal information leakage incident, correct?

(Yoon Myung, Consumers Korea) Yes, correct. We...

(Rep. Kim Hyun) Please tell us more about it, your position on it.

(Yoon Myung, Consumers Korea) Yes, consumer organizations under the Consumer Association have raised various issues regarding this matter. In particular, on December 8, we visited Coupang's headquarters in person to deliver our opinions. We also demanded an immediate response, but we

did not receive an official reply. Among the five major demands, the most important were an official apology from Chairman Kim Bom-suk, swift measures to address the issue, ensuring that consumers can withdraw without inconvenience, and providing accurate information to consumers about the facts. However, instead of continuous and accurate communication, only face-saving press releases have been issued, leaving consumers confused about what to believe. On top of that, a compensation plan was announced, but it was not what consumers want. Coupang did not even try to understand what consumers want and unilaterally offered coupons as compensation. As many committee members have already pointed out, this looks like nothing more than a KRW 5,000 compensation.

Most consumers can only use the KRW 5,000, and even then, it is not a real compensation as they have to spend more of their own money. So we issued a statement rejecting this plan.

(Rep. Kim Hyun) Coupang claimed the number of victims is 3,000. Please also share your association's position on this.

(Yoon Myung, Consumers Korea) I do not believe the data leak affected only 3,000 people. There were more leaks than the 3,400 they disclosed. I cannot trust the basis for the 3,000 figure. If they had grounds for that number, then those 3,000 deserve greater compensation.

(Rep. Kim Hyun) Do you have any plans for actions or measures that consumer organizations will take going forward?

(Yoon Myung, Consumers Korea) We are working to inform consumers accurately about these facts. Watching this National Assembly hearing, consumers will likely feel betrayed and angry. When it comes to matters such as 'leaving Coupang' or purchase restrictions, the role of consumers is crucial. Consumer choices can change the market. I want to emphasize this again. And I urge the government and the National Assembly to properly address consumers' grievances.

(Rep. Kim Hyun) Let me proceed with additional questions later.

(Chairperson Choi Min-hee) I have questions for Vice President Lee Jae-gul and Reporter Park Hyun-gwang.

Give them microphones. First of all, since Mr. Rogers is completely uncommunicative on the matter of boldly dragging the National Intelligence Service (NIS) of Korea into this truth game, I'll keep it short with Vice President Lee Jae-gul. Short questions, short answers. First: Did the NIS specifically instruct you to contact the suspect?

(VP Lee Jae-gul) To explain why we couldn't quickly share the details of discussions with the NIS: They repeatedly asked us not to share anything with any agency, including the police. The reason was that if these matters were disclosed, NIS employees...

(Chairperson Choi Min-hee) No, wait. Hold on. Hold on.

No long-winded explanation needed. Did the NIS instruct Coupang to contact the suspect? What I mean is they first... Did they give instructions?

(VP Lee Jae-gul) The NIS...

(Chairperson Choi Min-hee) Did they instruct you?

(VP Lee Jae-gul) In early December, they said to us that now is the right time to send a text message.

(Chairperson Choi Min-hee) Wait a second. Was that the first communication? Did the NIS suddenly tell you to send a text message to the suspect?

(VP Lee Jae-gul) That is why we are currently preparing to submit the previous records as well, if that's what you mean...

(Chairperson Choi Min-hee) Just a moment. We were told before it was already completed Mr. Rogers said earlier that they had organized everything as requested by the National Assembly. Please pay attention.

(VP Lee Jae-gul) The reason for the delay, as we were told, is that if this information is disclosed, it could trigger a major diplomatic issue...

(Chairperson Choi Min-hee) Just as I expected...

(VP Lee Jae-gul) It could also put NIS employees in danger...

(Chairperson Choi Min-hee) Like I said, it's just as expected. No, I...

(VP Lee Jae-gul) So we were told to exercise caution...

(Chairperson Choi Min-hee) No, hold on, no one here expects you to worry about that, okay? Lee Jae Myung administration is capable enough to handle it on its own. I thought you would bring that up, and you did. Just answer my questions, please don't digress. Every committee member here today already has a good grasp on the situation and can guess what kind of answer might come from you. Now, let me ask again: Did the National Intelligence Service specifically and unilaterally instruct you to make contact with the suspect?

(VP Lee Jae-gul) On December 2, they sent us the first official letter, and we asked for clarification on its contents. In response, the NIS said that this was a matter of national security, that they were making the request on that basis, and that Coupang had a legal obligation to comply.

After that, we continued to exchange communications, and in early December, they told us that it would be best to contact the suspect now, to reach out. Initially, they suggested having an employee in China—on site—make contact. But we replied that such an approach would likely be difficult...

(Chairperson Choi Min-hee) Just a moment, look...

(VP Lee Jae-gul) and suggested having one of our employees in Korea make contact...

(Chairperson Choi Min-hee) No, excuse me. Coupang keeps talking only about its own position. Where does this baseless confidence come from? Here's how you can put that in a straight answer: "The NIS first and unilaterally instructed us to contact the suspect." To sum up what you've just said, NIS did instruct you. They did, right?

(VP Lee Jae gul) Yes, that'd be our understanding.

(Chairperson Choi Min-hee) Did they say that... or not?

(VP Lee Jae-gul) The NIS always speaks in ambiguous terms, so...

(Chairperson Choi Min-hee) Why are you saying that?

(VP Lee Jae-gul) That is how we understood it.

(Chairperson Choi Min-hee) Please don't say you understood. Just answer yes or no.

(VP Lee Jae-gul) They did. That is how we understand it.

(Chairperson Choi Min-hee) Fine. Now, please keep a careful record of this... this is being transcribed as we speak, and it is being broadcast to the entire nation. You have answered "Yes" to the statement that the NIS unilaterally instructed you to contact the suspect.

Here's the second question. Did the NIS instruct you to conduct a forensic analysis?

(VP Lee Jae-gul) Regarding this device, we asked the NIS ...

(Chairperson Choi Min-hee) Here we go again...

(VP Lee Jae-gul) We asked what should be done after it was recovered.

(Chairperson Choi Min-hee) Again. No. Stop. Please stop right there.

(VP Lee Jae-gul) Regarding that, the NIS told us that after the device was recovered...

(Chairperson Choi Min-hee) Wait a minute. Please don't give me that long answer.

(VP Lee Jae-gul) They told us we could handle it at our own discretion.

(Chairperson Choi Min-hee) I just asked you a specific question. I asked if the NIS instructed you to conduct a forensic analysis. Did they instruct you to do the forensics?

(VP Lee Jae-gul) As I just mentioned, we asked the NIS,

(Chairperson Choi Min-hee) Ah, this is annoying.

(VP Lee Jae-gul) They said something to the effect that once we retrieve the item, we may handle it as we see fit, which sounded like permission.

(Chairperson Choi Min-hee) No, hold on. Stop right there. I've already stopped the time when he stalled like that. Let me ask again: Did the NIS instruct you to conduct forensics on the retrieved item on your own?

(VP Lee Jae-gul) As I said before... (Interrupted)

(Chairperson Choi Min-hee) Did they say, "Do it"?

(VP Lee Jae-gul) As I mentioned...

(Chairperson Choi Min-hee) Did they say, "Do it"?

(VP Lee Jae-gul) The NIS responded to our inquiry...

(Chairperson Choi Min-hee) Hold on, hold on.

(VP Lee Jae-gul) They said that once we retrieve the item, handle it as we see fit.

(Chairperson Choi Min-hee) Hold on. Did they say, “Do it”? “Conduct forensics”?

(VP Lee Jae-gul) I’m explaining specifically what they told us.

(Chairperson Choi Min-hee) I can’t even interpret what you’re saying, and this is Korean. Is it that hard? Did the NIS instruct you to conduct forensics on the retrieved item?

(VP Lee Jae-gul) As I said earlier, we kept asking the NIS, and they told us that once we retrieve the item, handle it as we see fit.

(Chairperson Choi Min-hee) No, no, hold on. My question was: Did they instruct you to conduct forensics?

(VP Lee Jae-gul) I believe I’ve answered.

(Chairperson Choi Min-hee) No, you haven’t. Did the NIS explicitly say this sentence: “Conduct forensics on the retrieved item”?

(VP Lee Jae-gul) I can’t say for sure if that was the exact wording, but starting from December 2, the NIS continuously contacted us and told us that we have a legal obligation, an obligation to cooperate. And following that... (Audio overlap)

(Chairperson Choi Min-hee) Do not talk about that now.

(VP Lee Jae-gul) We continued to cooperate...

(Chairperson Choi Min-hee) Why are you doing this?

(VP Lee Jae-gul) That’s how we proceeded.

(Chairperson Choi Min-hee) I’m not pressing you on whether you cooperated or not. Of course Coupang, as the party at fault, should cooperate. That’s why you’re here cooperating with the National Assembly now, right? I am verifying everything Rogers said yesterday, one by one, even though it’s ridiculous. I’m spending this precious time because I can’t tolerate that you’re dragging in the NIS to manipulate all of us through a framing-shifting tactic. Let me ask again: Did the NIS instruct you to conduct a forensic analysis on that device?

(VP Lee Jae-gul) As I said earlier... I’m stating precisely the specific points that they told us. We asked what we were allowed to do with the device, and the NIS said, if you retrieve it, handle it as you see fit — that it was okay to do so. Not to conduct a forensic review.

(Chairperson Choi Min-hee) Wait, again...

(VP Lee Jae-gul) Their intent was that we could handle things like copying at our own discretion.

(Chairperson Choi Min-hee) Don’t talk about “intent.” My intent is this: The intent behind what Rogers said yesterday was to shift the frame as Kim Bom-suk instructed, threaten some media outlets, saying things like, “we’ll give you ads depending on how you cover this— we can stop giving you ads.” He laid all that groundwork so that this morning’s newspapers would spread the idea that our government can’t be trusted. That’s what I understood his intent to be. Does “intent” even

matter here? I'm asking one simple question: Did the NIS tell Coupang to conduct a forensic analysis on that device? That sentence — did they say that to you? Did they instruct you?

(VP Lee Jae-gul) As I've been saying...

(Chairperson Choi Min-hee) Did they use that exact sentence?

(VP Lee Jae-gul) We asked, and they responded in a way that implied permission.

(Chairperson Choi Min-hee) Was that exact sentence there?

(VP Lee Jae-gul) We asked whether we could do anything after retrieving the device.

(Chairperson Choi Min-hee) No. Let's go all the way to the end. I'll repeat my question: Did the NIS instruct Coupang with this sentence— "Conduct forensics on the retrieved device"?

(VP Lee Jae-gul) I believe I've been answering.

(Rep. Noh Jong-myun) (Mic off) So what you are saying is that there was no such instruction.

(Chairperson Choi Min-hee) Okay. So that word, that sentence didn't exist. It was just implied. That sentence was not there.

Next question: Did the NIS instruct you to have the forensics done by the U.S. company ABC?

(VP Lee Jae-gul) Regarding the forensic vendor, there were many discussions with the NIS about which company would be best. We proposed some vendors, and the NIS also suggested several. After various discussions on which company would be most suitable, ultimately...

(Chairperson Choi Min-hee) Did the NIS make the decision?

(VP Lee Jae-gul) It was decided through discussions.

(Chairperson Choi Min-hee) No, hold on. Did the NIS make the final decision to choose ABC?

(VP Lee Jae-gul) As far as I know, it was decided through discussions.

(Chairperson Choi Min-hee) As for the final decision... Who paid for it?

(VP Lee Jae-gul) I don't know who paid.

(Chairperson Choi Min-hee) Mr. Rogers, did the NIS pay for the forensic work? Who paid for the forensic costs?

(Coupang CEO Harold Rogers) (Original statement) Do you mean the forensic work that was done on the devices where those devices were forensically imaged?

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) Are you referring to the cost for the forensic examination of the device and the process of collecting the forensic image?

(Chairperson Choi Min-hee) Yes.

(Coupang CEO Harold Rogers) (Original statement) I would have to look, but it would either be

Coupang Inc. or Coupang Corp.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I'd have to check to be certain, but I believe Coupang Inc. or Coupang Korea paid for it.

(Coupang CEO Harold Rogers) (Original statement) The NIS did not provide us any (Audio overlap) fund here.

(Chairperson Choi Min-hee) Okay, that's all I need.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) The NIS did not pay.

(Chairperson Choi Min-hee) Yes, I got that. The NIS didn't pay. Next, did an NIS employee attend the forensic process?

(Coupang CEO Harold Rogers) (Original statement) When you're saying analysis, do you mean the forensic imaging? That's what I was (Inaudible)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) When you say analysis, are you referring to the forensic image process?

(Chairperson Choi Min-hee) No, I'm asking VP Lee Jae-gul. It's for VP Lee Jae-gul. Don't interrupt me. VP Lee Jae-gul, did an NIS employee attend the forensic process?

(VP Lee Jae-gul) I understand you're referring to the creation of the forensic imaging copy. They did not attend that process.

(Chairperson Choi Min-hee) Okay, that's all I need. Did Coupang prepare its own report? Did the NIS prepare that report for you? The report you released this time—Coupang wrote it, right?

(VP Lee Jae-gul) Regarding the process of retrieving the device, I understand that the NIS was fully aligned with us.

(Chairperson Choi Min-hee) No, I'm speaking Korean here. You released a statement saying only 3,000 pieces were stored and even those were deleted. That statement—Coupang wrote it, right?

(VP Lee Jae-gul) We wrote it ourselves, but the suspect's testimony that formed the basis of it was fully known to the NIS, and we continued to cooperate throughout.

(Chairperson Choi Min-hee) Hold on. Are you now claiming that the NIS directly met and interrogated the suspect?

(VP Lee Jae-gul) Since the NIS cannot meet the suspect directly, they asked us to meet them in person.

(Chairperson Choi Min-hee) So, they didn't meet them themselves.

(VP Lee Jae-gul) The NIS strongly requested that a Coupang employee meet the suspect because they were unable to do so directly.

(Chairperson Choi Min-hee) This is all being recorded as fact. Did the NIS tell you to make an announcement? Did they tell you to announce it?

(VP Lee Jae-gul) Since then, I have not received any further contact from the NIS.

(Chairperson Choi Min-hee) What are you talking about? I am asking if the NIS told you, you guys announce it first on such-and-such a date at such-and-such a time, or if Coupang did this independently. Answer the question.

(VP Lee Jae-gul) They never requested or ordered us to make an announcement.

(Chairperson Choi Min-hee) Then Coupang decided on the announcement on its own—the timing, the date, and the method.

(VP Lee Jae-gul) Regarding the suspect's statement, which forms the basis of that content...

(Chairperson Choi Min-hee) Please don't.

(VP Lee Jae-gul) The NIS is also fully aware of the content and is in agreement with it.

(Chairperson Choi Min-hee) I think we've heard enough, haven't we? It's clear to everyone. Deputy Prime Minister Bae Kyung-hoon, you heard all of this, right?

(Deputy Prime Minister Bae) Yes, I heard it.

(Chairperson Choi Min-hee) Actually, we have already confirmed all these facts. Please, take your seat. We've wasted enough time. Reporter Park Hyun-kwang, I think you'll just have to explain, not in a Q&A format, but in your own words, what issues you raised regarding Coupang and what happened to you afterward.

(Reporter Park Hyun-gwang) I would like to talk a bit about Coupang's response to the media. I started covering Coupang in March 2020 during the COVID-19 period, after attending the funeral of a Coupang delivery worker from the Ansan center. At that time, I cannot go into all the details, but I observed how Coupang treated its workers, and from then on, I believed there would be many more deaths at Coupang, so I pursued the coverage quite diligently. In 2019, I wrote an article about workers at Coupang Fresh Foods Center working without health certificates. In October 2020, I wrote an article about Coupang converting regular employees to special contract workers, noting that if this transition occurred, working 60 hours per week would be possible. Then, in December 2020, I wrote an article reporting that a COVID-19 case occurred at Coupang's Incheon 6 fulfillment center but that the company concealed it. In January 2021, I wrote about a female worker in her 50s who died at the Dongtan fulfillment center, where there was no heating or cooling system at all, and only one heat pack was provided to her.

The reason I am explaining all these is that in February 2021, Coupang filed a lawsuit bundling all these articles from the past five months together. They filed a civil suit seeking compensation for damages. I can say this was clearly an attempt by Coupang to muzzle the press. Why? Because after I changed jobs, Coupang approached separately and asked to withdraw the lawsuit. That was because, as it was a civil case, mutual agreement was required. I personally refused, but since I had already moved to another company, my former employer agreed and resumed advertising contracts with Coupang. When I was there, Coupang had stopped advertising.

(Chairperson Choi Min-hee) Do you have anything further to add?

(Reporter Park Hyun-gwang) I believe I can conclude my remarks here.

(Chairperson Choi Min-hee) Thank you. We will take a short recess. Some members, including the Executive Secretary, need to go submit the request for a National Assembly investigation at 2:00

p.m., so we will adjourn now and reconvene at 2:30 p.m. The session is adjourned.

(After recess, session resumes)

(Chairperson Choi Min-hee) Please take your seats. The session will now resume. Since we have many questions for Mr. Rogers, and it seemed burdensome to have him move repeatedly, we have rearranged the seating accordingly. In agreement with the executive leaders, follow-up questions will be limited to 10 minutes. Rep. Hwang Jeong-ah, please proceed. Ah, yes. Just a moment—the Ministry of Science and ICT... The Deputy Prime Minister raised his hand...

(Deputy Prime Minister Bae) Yes, earlier... I felt the discussion about Coupang and the NIS wasn't wrapped up clearly.

(Chairperson Choi Min-hee) Okay.

(Deputy Prime Minister Bae) If you allow, I'd like to make a brief comment.

(Chairperson Choi Min-hee) Please go ahead.

(Deputy Prime Minister Bae) I hope we can focus on the essence of the issue. Coupang is here as the investigated entity, and it is currently under investigation by the joint public-private task force, the police, and the Personal Information Protection Commission. Full cooperation with these investigations is the top priority. Regarding the transfer of seized items from China, I've been informed that there was coordination with the NIS. However, what truly matters is not that, but rather that these items are properly brought into Korea, thoroughly examined, and that we clarify what they contain and how those findings align with the results already obtained by the joint task force and the PIPC. That is what's important.

At present, Coupang is not adequately responding to the requests from the joint task force. Out of roughly 160 document requests, we have received only about 50, and we still lack critical information.

We must speak strictly based on clear facts and then act on the results—for example, announcing the findings of the investigation or presenting compensation measures should have been done based on these investigation results.

In that regard, when the government-wide task force was launched on the 25th, there was an announcement that only about 3,000 cases of data leakage had occurred, and compensation measures were announced before this hearing. I find that highly intentional. I urge Coupang, from this point forward, to fully cooperate as the subject of the investigation.

(Chairperson Choi Min-hee) Well noted, thank you. Rep. Hwang Jeong-ah, please proceed with your questions.

(Rep. Hwang Jeong-ah) I'm Hwang Jeong-ah, representing Yuseong Eul, Daejeon.

As Minister Bae just mentioned, it is Coupang that is spreading misinformation and false information. When we asked how many accounts were withdrawn from Coupang, the CEO claimed he didn't know, and then suddenly we received a ridiculous response from the company. Please bring up the PPT slides.

(Referring to the screen) We requested data on how many of the 33.7 million accounts were

withdrawn or dormant. The response was: “This is under investigation, so it’s difficult to provide specific details.” We asked for the number of leaked items related to withdrawn or dormant accounts—again, “under investigation, cannot answer.” They said everything is under investigation.

We also asked whether, among the 3,000 accounts Coupang disclosed, any were withdrawn or dormant accounts, and whether those affected were additionally notified about the storage of their personal information. Again, the answer was that it’s difficult to provide specific details.

Mr. Rogers, what do you think you’re doing right now? Do you think this place is your playground? What does the number of deleted accounts have to do with the investigation? Are you by any chance hiding it because the compensation amount was inflated or because these accounts were stored without authorization?

It is so clear why you’re unable to submit forensic raw data and evidence of NIS instructions. It’s because you’re afraid your lies will be exposed, isn’t it? Why aren’t you submitting the data? Vice President Lee Jae-gul, Mr. Rogers—tell me. Tell us why, Vice President Lee. Why aren’t you submitting the data? Answer. It’s up on the screen. Why is Coupang not submitting the documents?

(VP Lee Jae-gul) I believe we already explained the reason in the written response we submitted.

(Rep. Hwang Jeong-ah) So you’re saying the number of withdrawn accounts is a matter under investigation? Is it?

(VP Lee Jae-gul) It is my understanding that that’s how the response was written.

(Rep. Hwang Jeong-ah) Nothing about that makes sense, nothing. Mr. Harold Rogers, give us an answer.

(Coupang CEO Harold Rogers) (Original statement) I believe the document explains the issue with the data.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I believe that document explains the issue related to this data.

(Rep. Hwang Jeong-ah) I have no idea what you’re saying... You’re giving irrelevant answers again, so this conversation is impossible. Harold Rogers keeps insisting that there’s misinformation about Chairman Bom Kim and himself. I am absolutely outraged. You keep talking about false information—who is actually using fabricated information here? Isn’t it Coupang, the company that leaked personal information? Initially, you announced 4,000 were affected. Coupang said 4,000, but in reality, it was from 33.7 million accounts. Yes, that’s clearly misinformation from Coupang, isn’t it? That’s misinformation. And is it exposure or a leak of personal information? Answer.

(Coupang CEO Harold Rogers) (Original statement) It’s a leak. We’ve corrected that statement. We’ve used that ever since.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) It’s a leak. We corrected that wording and have continued to use the corrected term since then.

(Rep. Hwang Jeong-ah) Coupang admitted it was wrong to announce it as “exposure.” So you produced misinformation. Misinformation, right?

(Coupang CEO Harold Rogers) (Original statement) Anytime we release information that we later learn to be incorrect we correct it publicly, which we have done.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) When we make an announcement and

later realize it was incorrect, we publicly correct it. That's what we did.

(Rep. Hwang Jeong-ah) Even in the apology issued a month later, Chairman Bom Kim stated that only 3,000 people were affected by the data leak. So where did the other 33,697,000 victims go? Where did the 700 billion compromised personal information records go? How can you say 3,000 people when you've already admitted that 33.7 million accounts were compromised? This is clearly misinformation. Chairman Bom Kim was simply trying to avoid legal responsibility through misinformation, isn't that right?

(Coupang CEO Harold Rogers) (Original statement) No, that's incorrect.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) That's not correct.

(Rep. Hwang Jeong-ah) Looks like you've finally adapted—answering with yes or no. Bom Kim keeps throwing around the word “misinformation,” but just saying “no” doesn't make it true. Then let me do the same—without supporting data, just words. Coupang destroyed evidence, tainted testimony, and tried to downplay and conceal the personal information leak. You're doing exactly what you did when you covered up deaths from overwork. The mastermind behind these crimes is Bom Kim. The circumstantial evidence is clear. Why is Coupang hiding the truth from U.S. shareholders and the Korean people? Let me turn this around—it's the same logic. How much must you look down on the Korean government and our citizens to act with such audacity?

61.4% of the public demands criminal prosecution of those responsible or suspension of Coupang's operations. 69.1% demand prosecution of those responsible. 69.1% say Chairman Bom Kim of Coupang Inc. is using his U.S. citizenship to evade social responsibility. And 63.2% believe foreign nationals who fail to appear before the National Assembly without just cause should be barred from entering Korea. This is the level of anger that the Korean people have toward Coupang. The allegations of covering up deaths from overwork and perjury by Bom Kim and Harold Rogers are piling up.

Deputy Prime Minister Bae Kyung-hoon, the people are giving you a mandate: to use every means to impose exemplary punishment on Coupang. Can you respond to that exactly as I've stated?

(Deputy Prime Minister Bae) Yes, the government-wide task force will conduct a comprehensive investigation and will impose exemplary punishment on Coupang for any problems found.

(Rep. Hwang Jeong-ah) KFTC Chairperson Ju Biung-ghi, public outrage is boiling over with calls to suspend Coupang's business operations. Shouldn't you immediately halt their operations?

(KFTC Chairperson Ju) We are currently conducting a joint public-private investigation. Based on what information was leaked, what damage is expected, and whether Coupang can take appropriate measures for recovery, we will decide. If necessary, we may impose a suspension of business.

(Rep. Hwang Jeong-ah) Minister Kim Young-hoon and Acting Commissioner General Yoo Jae-sung of the National Police Agency, shouldn't you immediately begin a compulsory investigation?

(MOEL Minister Kim) We will conduct a strict investigation. Yes.

(Rep. Hwang Jeong-ah) Good. Acting Commissioner General?

(NPA Acting Commissioner General Yoo) The police will also ensure to conduct a thorough investigation.

(Rep. Hwang Jeong-ah) You said you'll positively consider prohibition of departure. Do you not think you should reach a conclusion soon?

(NPA Acting Commissioner General Yoo) Yes, regarding the travel ban, if the National Assembly files charges, we will promptly proceed with the investigation and have the investigation team positively review the prohibition of departure and related measures.

(Rep. Hwang Jeong-ah) Yes, please trust the people and act boldly and decisively. That would be all.

Coupang, which is mocking the Republic of Korea in plain sight, must be punished and made an example. If necessary, we should even cooperate with Interpol to bring Bom Kim to the Korean court. The people know more about Coupang than we do. Bom Kim, hiding behind this protective shield, will be punished without fail.

The reason Coupang issues statements in English with a different tone is obvious: they think public opinion campaigns won't work in Korea, so they're trying to influence the U.S.—a pathetic idea. But the more they do that, the more they pour fuel on the fire of public anger, and Coupang must feel that deeply. CEO Harold Rogers said at the last hearing that they were helping Korea through productive relations with the U.S. government. But in the report Coupang submitted to the U.S. Senate, they said something completely different. Initially, they only lobbied the Department of Commerce, USTR, State Department, and the House of Representatives and the Senate, but later expanded to the White House NSC, Department of the Treasury, and even the Department of Agriculture.

In particular, in Coupang Inc.'s own report for Q3 this year, they specifically mentioned the Korean market, stating they would enable U.S. agricultural producers to make greater use of Coupang's infrastructure.

At a time when Korea was making every effort in trade negotiations, Coupang—while claiming to act in Korea's interest—actually exploited U.S. pressure on Korea to open its agricultural market for its own gain.

Second Vice Minister Kim Jina, is there any point at which Coupang worked for Korea's benefit during the Korea-U.S. tariff negotiations? Do you believe, as Coupang claims, that its lobbying helped Korea's national interest?

(MOFA Second Vice Minister Kim) We have also been continuously tracking Coupang's lobbying activities targeting the U.S. Congress and major government bodies.

(Rep. Hwang Jeong-ah) To borrow Bom Kim's own words, isn't this thoroughly false and riddled with misinformation? He claims Coupang's efforts contributed to Korea's national interest.

(MOFA Second Vice Minister Kim) The Ministry of Foreign Affairs does not share that view.

(Rep. Hwang Jeong-ah) Deputy Prime Minister Bae Kyung-hoon, as someone with a corporate background, you should know this well: a company that had shown continuous expansion is now seeing its growth rate shrink and has shifted into a revenue decline. What does that mean? Isn't this a serious crisis?

(Deputy Prime Minister Bae) Yes, it is a sign that customers are turning away from the company.

(Rep. Hwang Jeong-ah) I agree. Korean people, whom Coupang disregarded, are now delivering a

strong judgment against the company. According to data our office received from Shinhan Card, Coupang's sales amount has plummeted by about 30% following the announcement of the personal information breach. There was a slight recovery but when Chairman Kim Bom-suk failed to attend the National Assembly's Science and ICT Committee hearing on the 17th, the trend reversed into another decline.

In this crisis, do Coupang's current actions show any sense of urgency? What do you think?

While in the United States they are engaging in a public-opinion campaign and attempting to shield Bom Kim... (Mic off) I see no measures whatsoever to restore public trust. How do you respond to that?

(Deputy Prime Minister Bae) If you're asking me...

(Rep. Hwang Jeong-ah) Yes, that's correct.

(Deputy Prime Minister Bae) Based on Coupang's current behavior, I believe it is seriously undermining customer trust, and I agree with your point.

(Rep. Hwang Jeong-ah) That is all.

(Chairperson Choi Min-hee) Representative Jung Hye-kyung, please proceed with your questions.

(Rep. Jung Hye-kyung) I am Jung Hye-kyung, a National Assembly member from the Progressive Party, a non-regular worker-turned-lawmaker. This document I have here is Coupang's internal document. Minister of Labor, please take a close look—this is the internal material I mentioned regarding industrial accidents.

In this document, it says that in May 2020, at the CFS Incheon 4 center, the late Song OO passed away. According to this, his family received a bereavement compensation of KRW 100 million for disease-related death and KRW 10 million for an ischemic heart disease diagnosis.

Around the same time, in October 2020, at the CFS Daegu center, the late Jang Deok-jun—whom I've spoken about frequently in relation to Coupang—passed away. It states here that his family received no bereavement compensation. Looking at this... Witness Park Dae-jun, are you aware of this case?

(Former CEO Park Dae-jun) Are you talking about the accident in Incheon?

(Rep. Jung Hye-kyung) Yes, exactly. The family of the worker who died at the Incheon 4 center received bereavement compensation of 110 million won. Then, shortly afterward, the late Jang Deok-jun passed away, and his family received no bereavement compensation. Are you aware of this?

(Former CEO Park Dae-jun) I'm afraid I do not know about the contents of the document.

(Rep. Jung Hye-kyung) Sorry, you don't know about what?

(Former CEO Park Dae-jun) I don't know about the matter you just explained.

(Rep. Jung Hye-kyung) Oh, you don't know?

From what we see, in the late Jang Deok-jun's case, the bereaved family did not sign a compensation

agreement and filed an industrial accident claim. Therefore, no bereavement compensation was paid.

As for the worker who died at the Incheon 4 center, it seems that the bereaved family signed a compensation agreement on the condition of not applying for industrial accident compensation, and the bereavement compensation of KRW 110 million was paid. Is that correct?

(Former CEO Park Dae-jun) (clears throat) I think it was handled by CFS, but I'm not aware of the specific details.

(Rep. Jung Hye-kyung) Yes, you're familiar with the case of the late Jung Seul-gi, correct? Regarding Jung Seul-gi, exactly the same thing was communicated to the bereaved family. What you said was: if they signed a settlement amount, a settlement agreement, you would immediately transfer KRW 150 million on the condition that they would not apply for industrial accident compensation. If you want, I can play the recording—I have it.

It appears there is a manual for concealing industrial accidents, where cash is paid through the insurance company if a settlement agreement to conceal the accident is signed. Do you acknowledge this?

(Former CEO Park Dae-jun) My understanding is that applying for industrial accident compensation is up to the employee, and I have never instructed anyone to conceal it.

(Rep. Jung Hye-kyung) You know that perjury is punishable, correct?

(Former CEO Park Dae-jun) Yes, I'm aware. I believe concealing an industrial accident is unacceptable.

(Rep. Jung Hye-kyung) Understood. Minister, are you aware of this case?

(MOEL Minister Kim) I've read the news reports.

(Rep. Jung Hye-kyung) From my investigation, I found that as for Mr. Song OO to whom bereavement compensation was paid, his family applied for industrial accident benefits but withdrew the application; and it was found that they received bereavement compensation. In contrast, the family of Mr. Jang Deok-jun, who also passed away, did not sign a settlement agreement and therefore did not receive bereavement compensation. Doesn't this indicate concealment of an industrial accident?

(MOEL Minister Kim) The process of withdrawing the industrial accident claim seems a bit unusual. From what I see, there's a strong suspicion that an expert dictated what to write.

(Rep. Jung Hye-kyung) Therefore, I hope you conduct a thorough investigation and ensure that those involved face legal consequences.

(MOEL Minister Kim) It appears an investigation is necessary.

(Rep. Jung Hye-kyung) Please take a look at this slide. This shows an attempt to falsify an employment contract. This was Mr. Jang Deok-jun's employment contract. At that time, the CEO was Chairman Kim Bom-suk.

As you can see, the contract initially given to the bereaved family differs from the one later submitted to the court. The one on the left, received by the family in November 2020, states he was employed as a part-time worker. The one on the right lists him as a daily worker and additionally

specifies loading/unloading duties. This indicates that he was assigned loading/unloading tasks not actually agreed upon in the contract, leading to overwork, and that the contract was deliberately altered to hide unpaid weekly day off allowances. This appears to constitute forgery of private documents under Article 231 of the Criminal Act. Witness Park Dae-jun, do you acknowledge falsifying the employment contract? This is unequivocal.

(Former CEO Park Dae-jun) I was not in charge of such tasks at that time...

(Rep. Jung Hye-kyung) So you don't know?

(Former CEO Park Dae-jun) No, I was not in a position to know.

(Rep. Jung Hye-kyung) First of all, yes, this is clearly a document manipulated by Coupang. We'll have to verify it later, right? And who do you think ordered this? Wouldn't it be Chairman Kim Bom-suk? You don't know, do you?

(Former CEO Park Dae-jun) I have no knowledge of that.

(Rep. Jung Hye-kyung) Yes, it appears the employment contract was falsified to conceal the failure to pay weekly holiday allowances and the excessive overtime beyond the scope of duties. Now, Acting Commissioner, NPA Acting Commissioner General.

(NPA Acting Commissioner General Yoo) Yes.

(Rep. Jung Hye-kyung) In this regard, I'd like an investigation into this private document forgery. Will you conduct one?

(NPA Acting Commissioner General Yoo) Yes, we will verify the facts.

(Rep. Jung Hye-kyung) Yes. Next slide, please. Yes. This is another case of employment contract forgery related to Mr. Oh Seung-yong. It can only be seen as forgery. Here's what happened: the bereaved family requested Mr. Oh's employment contract, and this is what they were given. But as you can see, there is not a single handwritten signature. And what we call a "general use seal" was stamped. How can we know who did this and how? The bereaved family is now raising questions, saying this clearly appears to be falsified. I'd like to ask the police to thoroughly investigate this matter as well.

(NPA Acting Commissioner General Yoo) Yes, we will look into it.

(Rep. Jung Hye-kyung) Yes. Let's move on. Now, about the National Pension Fund, Mr. CIO. Yes, yes. The National Pension Fund is one of the world's top three sovereign wealth funds, so its investment influence is globally significant, isn't it? I heard that as of the end of 2024, KRW 218.1 billion was invested in Coupang's overseas stocks. Is that correct?

(NPS CIO Seo) Yes, based on that, investments are made through our external asset managers.

(Rep. Jung Hye-kyung) Yes, right? As it is one of the world's top three sovereign wealth funds, the very fact that our National Pension Fund invests in Coupang sends a message that Coupang is a trustworthy company. The foundation of Coupang's growth includes the retirement funds of our citizens. Coupang grew with the people's retirement money, but it is now ungratefully repeating crimes against the public and engaging in mafia-like behavior by lobbying to silence the government.

If the National Pension Fund shares profits with Coupang, it cannot avoid criticism that it is helping a company survive by draining the blood and lives of the people. I believe we need to quickly decide to exclude Coupang from investments and publicly announce that decision. What is your stance on this?

(NPS CIO Seo) Well, from our position as an investor, the people's money is being invested. So we view this matter very seriously and with concern. We will take action according to the relevant procedures and decisions.

(Rep. Jung Hye-kyung) Yes, please make sure to do that. The people are watching. And now, about the question I left unfinished earlier—regarding lobbying, overseas lobbying. Let me briefly mention lobbying in the U.S. In July, a U.S. Representative sent a letter expressing concern about legislation related to online platforms. The letter said the bill would be a gift to the Chinese Communist Party and become a key issue in tariff negotiations. At that time, our country was under great tension due to Korea-U.S. tariff negotiations. It appears that Coupang lobbied in the U.S. in a way that negatively affected those negotiations, which I see as an extremely traitorous act. Regarding online platforms, small business owners in Korea are hoping for strong regulations against monopolistic practices by companies like Coupang and Baedal Minjok. These are truly livelihood bills. So the National Assembly was ready to pass them quickly, but because of that proposal from the U.S. House of Representatives, the process was stopped. This is what everyone knows. Even as to such livelihood bills, Coupang acted for its own interests through the U.S. in a way that harmed Korea-U.S. relations, especially at a time when tariff negotiations were conducted. Isn't this a truly traitorous act? Now, regarding this, our Ministry of Foreign Affairs—regarding Coupang's lobbying activities on all fronts that strain Korea-U.S. relations and even infringe on sovereignty—don't you think we need to respond diplomatically? What is your view?

(MOFA Second Vice Minister Kim) The Ministry of Foreign Affairs also considers this a very grave and serious matter. However, if there is a deliberate intention to provoke a trade dispute, we believe it is important to be cautious so as not to be drawn into such a strategy.

(Rep. Jung Hye-kyung) An active response is required.

(Chairperson Choi Min-hee) Ms. Oh Hyeri is here with us... Why did you raise your hand?

(Rep. Jung Hye-kyung) I'd like to make comments briefly.

(Chairperson Choi Min-hee) Please proceed. You have 2 minutes.

(Rep. Jung Hye-kyung) Thank you. Yes, I requested to make a point of order to briefly make an earnest appeal to Chairperson Choi Min-hee. First, I'd like to ask that we form a special delegation at the National Assembly level to visit the United States together. Kim Bom-suk has ignored the summons of the National Assembly under the excuse of being busy, and Coupang's executives are shamelessly committing perjury before the public. Despite the suffering and anger of the people, Coupang has never once given a responsible answer because, ultimately, Coupang is an American company and spends enormous sums lobbying the U.S. political circles. Even at this moment, Coupang continues to provide false information to U.S. politicians and investors, leading to absurd reports labeling Korea as a rogue state. This is the result of all-out lobbying efforts to drag intergovernmental diplomatic and trade issues into their pursuit of profit. We cannot stand by and allow such mafia-like criminal groups any longer. I believe the National Assembly must directly visit the U.S. to reveal the truth about Coupang's criminal acts and unethical management practices. To

correct the lies and fabrications spread by Coupang, I'd like to ask that the National Assembly take action.

Secondly, I request the formation of a joint task force to draft a special law to prevent Coupang's misconduct. Since Coupang earns profits in Korea, it must bear corresponding social responsibilities. Although the upcoming parliamentary investigation will expose the full truth, Coupang has trampled on Korea's legal system and aggressively lobbied government agencies. Such a company must be thoroughly punished in front of all other businesses. We must seize this opportunity to block criminal groups like Coupang from operating in our society. A comprehensive review and reinforcement of our legal system is necessary. The current Coupang scandal is being closely watched by the entire Korean public and many domestic and international companies. (Mic off) (Statement after mic off) Can I speak just a little longer? Just a moment...

(Chairperson Choi Min-hee) Please note there will be no opportunity for additional remarks later.

(Rep. Jung Hye-kyung) Noted. If we fail to establish effective regulations at this opportunity, a second or third Coupang scandal will occur, and the mockery of our legal system will continue. Ultimately, the damage will fall squarely on our citizens. I believe the National Assembly must devise practical measures to protect human rights, public interests, and our national interest. I respectfully request once again to Chairperson Choi Min-hee: please review the formation of a U.S. special delegation at the National Assembly level and the operation of a joint task force for enacting a Coupang prevention special law. I also appeal to my senior and fellow lawmakers: let us ensure that mafia-like criminal groups such as Coupang cannot do business in Korea and declare this clearly before domestic and international companies. I'd like to ask you to join in considering the future course of action.

(Chairperson Choi Min-hee) Yes, we'll mull this over together. Ministry of Foreign Affairs, the Online Platform Act was on the verge of passing, but it was halted because of a letter from the U.S. So now you say it's important not to be drawn into Coupang's intended strategy—but does that even matter if we can't pass the law? Coupang's lobbying led the U.S. Congress to pressure Korea, and many laws that should have passed, like the In-App Purchase Prevention Act, haven't passed. So this means Coupang's lobbying has completely influenced Korea...

(KFTC Chairperson Ju) May I say something?

(Chairperson Choi Min-hee) Ah, wait a moment please. Why does it matter not to get caught up in their strategy when their strategy is already working?

(MOFA Second Vice Minister Kim) Let me clarify the position of the Ministry of Foreign Affairs once again. Whenever we have the opportunity, we actively explain that Korea's legislative process does not intend to discriminate against specific companies. At the same time, we are carefully managing the situation to prevent these issues from becoming excessively politicized between the two countries. That's what I meant to say.

(Chairperson Choi Min-hee) Yes, that's how you should explain it.

(KFTC Chairperson Ju) Let me add briefly: the Fair Online Platform Act currently under discussion is not an issue in trade negotiations. It is a post-regulation approach. The current issue concerns the legislation concerning pre-regulation. So I want to clarify that the ongoing legislation is not a trade issue. As long as we apply the law equally to foreign and domestic companies without discrimination, there should be no problem.

(Chairperson Choi Min-hee) Representative Jung Hye-kyung, did you hear that?

(Rep. Jung Hye-kyung) Yes, I heard.

(Chairperson Choi Min-hee) It is also a trade issue. You shouldn't oversimplify it like that. Here in our committee, the Online Platform Act falls under the jurisdiction of the National Policy Committee, right? But we haven't been able to pass the In-App Purchase Prevention Act. Just saying it's not an issue doesn't make it so. And Representative Jung Hye-kyung, Ms. Oh Hye-ri is present. Shouldn't we hear her remarks regarding the contract mentioned earlier?

(Rep. Jung Hye-kyung) That would be really good.

(Chairperson Choi Min-hee) I'll give three minutes from my time—no, I'm not speaking to you, I'm saying I'll give three minutes for her to come forward and speak about the contract...

(Rep. Jung Hye-kyung) They say she's not here.

(Chairperson Choi Min-hee) Oh, she's not here? Then why...? Is Ms. Park Mi-sook here, then? Yes, please make sure to question the witnesses present. What about Ms. Oh Hye-ri? She's not coming now? Please confirm by phone, and if she arrives, we'll hear the facts directly. Representative Jung Il-young, please proceed with your questions.

(Rep. Jung Il-young) Yes, this is Jung Il-young. Witness Rogers, during the lunch break, we received calls from citizens in our office. They asked us not to call you "CEO" or "Mr. CEO" because they are deeply disappointed in Coupang. They said just call you "Rogers" or "Witness" ... From now on, calling you "Witness" seems appropriate. The public is watching this broadcast and their disappointment is enormous. So, Witness, when did you become the CEO of Coupang here in Korea?

(Coupang CEO Harold Rogers) (Original statement) Earlier this month.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Earlier this month.

(Rep. Jung Il-young) December 10th, correct?

(Coupang CEO Harold Rogers) (Original statement) That's correct.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) That's correct.

(Rep. Jung Il-young) Then it must be quite difficult for you to grasp the situation, right? It seems you don't have much knowledge about the Coupang situation that we're discussing today, is that correct?

(Coupang CEO Harold Rogers) (Original statement) I believe I do have deep knowledge, but obviously you can be the judge of your opinion on that.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, I believe I have a deep understanding, but I cannot make any judgment regarding your opinion.

(Rep. Jung Il-young) Then, when Chairman Kim Bom-suk sent you here as a CEO, did he give you any specific instructions?

(Coupang CEO Harold Rogers) (Original statement) No, the board instructed me to work on these issues and make sure that we solve them to protect our customers.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) No. The board told me to work on this issue, resolve it, and protect our customers.

(Rep. Jung Il-young) What does “resolve” mean? Are you talking about resolving it in this manner?

(Coupang CEO Harold Rogers) (Original statement) Yes, to responsibly deal with the issue and protect our customers.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, to respond responsibly to this issue. (Interrupted)

(Rep. Jung Il-young) Does that mean ignoring the Korean people, coming to the National Assembly to ramble, and stalling by giving arrogant answers?

(Coupang CEO Harold Rogers) (Original statement) I have not done that, and I think this irresponsible dialogue from many people is leading to a lot of problems in public right now. I think we should all speak responsibly which is what I’m trying to do.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I did not do that. I believe these irresponsible discussions are providing the public with incorrect information. I think we all need to engage in responsible dialogue.

(Rep. Jung Il-young) Witness Rogers, you’ve been repeating the same statements since yesterday—only what favors you. How many years did you work at Coupang Inc. in the U.S.?

(Coupang CEO Harold Rogers) (Original statement) Six years.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Six years.

(Rep. Jung Il-young) Then, you must know clearly about the revenue structure and amounts flowing from Coupang Korea to Coupang Inc. in the U.S., and also the sums going to Chairman Kim Bom-suk, right?

(Coupang CEO Harold Rogers) (Original statement) I have knowledge on some of the things. Specifics, I would need to look them up, but all of the compensation for our chairman and for myself and others is publicly disclosed by the SEC for anybody to see.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I know some of it, but I will have to look into the specifics. However, compensation for the Chairman, myself, and others is all disclosed in filings submitted to the SEC, which anyone can view.

(Rep. Jung Il-young) As expected, another evasive answer. I don’t even know why you came here. Looking at the PPT briefly—this morning, you provided no credible evidence, nothing to support Coupang’s claims. Three slides later, there’s a statement from the NIS Director last night, which you must know since other committee members asked about it. The NIS said what Witness Rogers claimed is “completely untrue,” “there was no instruction, no order, no authorization,” “the claim that instructions were given is false,” and “there was no contact.” Yet you keep saying you received instructions from the NIS. So is this a complete 100% lie, or is there at least some basis—like someone initially cooperating with the NIS or the police? Explain this. I’m asking again because I just can’t understand. Why are you telling such blatant lies?

(Coupang CEO Harold Rogers) (Original statement) I believe the cooperation letter from the agency has been made public. Within it, they cite the statute that requires us to comply with what they ask us to do. That's been made public. Everybody is aware of it. The agency has corroborated that publicly.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I understand that the document for cooperation from the relevant agency has been disclosed. That agency cited the relevant legal provision and stated that Coupang is obligated to comply. Everyone knows about this. (Audio overlap)

(Rep. Jung Il-young) Okay, okay. Witness Rogers. Then, what do you think about the statement announced yesterday by the Director of the NIS? This was announced by the government of the Republic of Korea. By the Director of the NIS. Are you denying it? Ignoring it?

(Coupang CEO Harold Rogers) (Original statement) The statute is very clear. When this agency asks for cooperation, we must comply. I think he's very careful in his language.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) (Interpretation not provided for the first sentence) This agency requested our cooperation, that we must cooperate... (Interrupted)

(Rep. Jung Il-young) Enough. You keep repeating that cooperation thing like a parrot, like a robot. Why do you keep saying that over and over? Cooperation, cooperation. I can memorize it now too. Stop giving the same evasive answers. Let's move on to the next point. About the 170 people dispatched—I asked you yesterday. Did you check on that number? From Inc to Coupang Korea?

(Coupang CEO Harold Rogers) (Original statement) No, I have not had an opportunity to check. I've been here testifying.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) No. I didn't have time to verify because I was testifying at the hearing.

(Rep. Jung Il-young) Did you testify all night? The testimony ended last night around nine, didn't it? How can you gloss over something so important?

(Coupang CEO Harold Rogers) (Original statement) Do you think this is funny? You're accusing me of perjury. You're telling me there'll be a travel ban (Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Now, do you find this funny? You're saying I'm testify... (Interrupted)

(Rep. Jung Il-young) When did I say this is funny?

(Coupang CEO Harold Rogers) (Original statement) and now you're laughing at me. (Interrupted)
Interpretation not provided

(Rep. Jung Il-young) Are you joking right now?

(Coupang CEO Harold Rogers) (Original statement) I don't understand why I'm being treated this way.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don't understand why I am being treated this way.

(Rep. Jung Il-young) I asked about the 170 people, didn't I? You need to answer that.

(Coupang CEO Harold Rogers) (Original statement) I'm just trying to answer your questions. I'm just trying to answer the questions you're asking. And you're not allowing me to answer them.

(Interrupted)

Interpretation not provided

(Rep. Jung Il-young) Stop!

(Coupang CEO Harold Rogers) (Original statement) Please allow me to answer the questions.

Interpretation not provided

(Rep. Jung Il-young) Here we go again!

(Coupang CEO Harold Rogers) (Original statement) I just want to answer the questions.

Interpretation not provided

(Rep. Jung Il-young) Stop!

(Coupang CEO Harold Rogers) (Original statement) I'm just trying to answer your questions. I don't know why you won't let me. (Audio overlap)

Interpretation not provided

(Rep. Jung Il-young) Stop it! I asked about the 170 people yesterday, 170 people! Why are you rambling?

(Coupang CEO Harold Rogers) (Original statement) I have answered the questions. (Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have answered the questions.

(Rep. Jung Il-young) Stay quiet!

(Coupang CEO Harold Rogers) (Original statement) I told you the answer. I don't know why you are yelling at me. I told you the answer. I've answered all of the questions.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don't understand why you are yelling. I have answered the questions. (Interrupted)

(Rep. Jung Il-young) Yesterday you banged on the desk and yelled at me. If the National Assembly of Korea asked about the 170 people yesterday, and Rep. Oh Gi-Hyoung also requested the data, and we requested the data, then you need to explain whether it's really 170 people and what their job is.

(Coupang CEO Harold Rogers) (Original statement) My understanding is that the team is providing responses to all of the data requests. You asked if I personally looked at it. I have not had time, which I think is very understandable.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I understand that the team, uh, the team has submitted all requested data. I haven't had time to review what you asked, and I believe that is very understandable.

(Rep. Jung Il-young) So you're completely unprepared to answer and you haven't even checked, right? Do you think it's okay to ignore us like this?

(Coupang CEO Harold Rogers) (Original statement) I've answered your question multiple times.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have answered multiple times.

(Rep. Jung Il-young) Now, Commissioner of the National Tax Service? Yes, this is frustrating. From Coupang Korea to Coupang Inc. in the U.S., money is flowing under various pretexts, right?

(NTS Commissioner Lim) Yes.

(Rep. Jung Il-young) Some say, Coupang had been in deficit and recently turned to profit, and the profit is very recent. But even during the deficit period, Coupang took huge amounts of money from Korea under names like management, IT, and other consulting fees. Isn't that right? Where are you? A deficit can occur while money has been transferred, right? But it's also possible that the deficit is caused because so much money is sent out.

(NTS Commissioner Lim) We are thoroughly reviewing considering all those aspects as well.

(Rep. Jung Il-young) Exactly. You can't easily judge a deficit company because they've taken out huge amounts under various pretexts to the U.S. We can't even figure out the exact amount because they won't give us the data.

(NTS Commissioner Lim) Yes.

(Rep. Jung Il-young) Please figure that out thoroughly.

(NTS Commissioner Lim) Yes. When there are carried-forward losses, corporate tax payments can be low, but even in those cases, we are thoroughly and strictly investigating to ensure taxes are paid properly.

(Rep. Jung Il-young) And Chairperson of the Korea Fair Trade Commission, you know there are many subsidiaries under Coupang, right? You remember that many of us have pointed out that there are lots of unfair transactions there, right?

(KFTC Chairperson Ju) Yes.

(Rep. Jung Il-young) Please investigate that thoroughly.

(KFTC Chairperson Ju) Yes, we will look into that.

(Rep. Jung Il-young) I believe our government should respond to this situation more quickly and proactively. Deputy Prime Minister Bae, you're the TF team leader, right?

(Deputy Prime Minister Bae) Yes, that's correct.

(Rep. Jung Il-young) But I don't recall the TF team announcing anything reassuring to the public. The President is urging action, and at least the National Tax Service has started a tax audit, and the police are moving, but what are the other government agencies doing?

(Deputy Prime Minister Bae) We are in the process of identifying the facts and investigating. Actually (Audio overlap)

(Rep. Jung Il-young) Minister, due to time constraints...Let me ask one thing. Did you receive any prior notice or have any discussion regarding the compensation plan announced by Coupang?

(Deputy Prime Minister Bae) No, we did not discuss it.

(Rep. Jung Il-young) Not at all?

(Deputy Prime Minister Bae) None.

(Rep. Jung Il-young) Then, what do you think about that compensation plan?

(Deputy Prime Minister Bae) I don't understand why that plan was announced at that time.

(Rep. Jung Il-young) There are many problems, right?

(Deputy Prime Minister Bae) Both the timing and the plan itself are problematic.

(Rep. Jung Il-young) Right? Then what actions will the government take going forward?

(Deputy Prime Minister Bae) First, we will accelerate our efforts to deliver the results of the joint investigation team and clearly identify the issues. Based on those results, we will proceed with investigations where necessary and impose penalties where appropriate... (Audio overlap)

(Rep. Jung Il-young) Then, the government should first act quickly and proactively. Expectations are not being met. Second, you need to create channels so that consumers can shop through alternatives, not just Coupang—even if it's hard to name a specific company. Can the TF team handle that as well? I'll talk to the Ministry of Strategy and Finance and the Ministry of Trade, Industry and Energy because I'm in the Planning and Finance Committee, but shouldn't your TF team take active steps?

(Deputy Prime Minister Bae) Yes, we are keeping that option open and considering it.

(Rep. Jung Il-young) Coupang is arrogant, thinking, "If we disappear, how will Korean consumers satisfy their shopping needs?" They have such arrogance. (Mic off)

(Statement after mic off) That's the reason they are looking down on the Korean government and disregarding Korean citizens. After this hearing, we need to create alternatives to replace Coupang. The government must create an environment for that. Do you understand?

(Deputy Prime Minister Bae) Yes, we will review it.

(Rep. Jung Il-young) Please take proactive action. You must take action instead of just reviewing it. Rogers of Coupang is sitting there saying nonsense—Minister, are you okay with that?

(Deputy Prime Minister Bae) No, I'm not okay.

(Rep. Jung Il-young) You're angry, right? The people are ten times, a hundred times angrier. Please make sure to create alternatives.

(Deputy Prime Minister Bae) Yes, understood.

(Rep. Jung Il-young) Nothing further to say.

(Chairperson Choi Min-hee) He said he believes all the requested data, including the data on the 170 people, has been submitted, right?

(Rep. Jung Il-young) I did not receive any materials.

(Chairperson Choi Min-hee) No, I mean, Mr. Rogers said so... But I heard the data hasn't arrived.

(Rep. Jung Il-young) I did not receive any materials.

(Rep. Oh Gi-hyoung) Can I have just one minute to make a point of order?

(Chairperson Choi Min-hee) Go ahead.

(Coupang CEO Harold Rogers) (Original statement) No, I didn't say it was submitted...(Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I didn't say everything was submitted...
(Interrupted)

(Rep. Oh Gi-hyoung) Hold on. Answer... (Interrupted)

(Coupang CEO Harold Rogers) (Original statement) I said the team was working on it.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I said our team is working on it.

(Rep. Oh Gi-hyoung) Yes, point of order. When I came to our office this morning, this is exactly what I saw. "The number of employees affiliated with the U.S. Coupang entity and dispatched to Coupang Korea is 140. Period." There was nothing else. "140 employees, period." No specific titles or roles. Nothing else.

(Chairperson Choi Min-hee) I think they were referring to that material. When asked earlier about the 170 people, they responded that "they understand they had sent related data". I believe they meant that material. It's not sufficient.

(Rep. Jung Il-young) No. Please ask about the visa. Working...

(Rep. Lee Hai-min) I meant to ask that.

(Chairperson Choi Min-hee) Rep. Lee Hai-min, yes. You will continue, right? Yes, yes.

(Rep. Lee Hai-min) Yes. This is Lee Hai-min from the National Innovation Party. Mr. Rogers, you said you worked at Coupang Inc. for six years. Then, which office was your base at that time?

(Coupang CEO Harold Rogers) (Original statement) So my base office has been both Seoul and Seattle.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I worked in Seattle boso.

(Rep. Lee Hai-min) Ah, Seattle. Then, what is your current visa type?

(Coupang CEO Harold Rogers) (Original statement) Uhm, I don't have my ARC card on me so I can't confirm now.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Because I don't have my ARC card, I can't confirm it right now.

(Rep. Lee Hai-min) Please submit that right away. Last time I asked, you said you hold a work visa.

(Coupang CEO Harold Rogers) (Original statement) That's correct.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, that's correct.

(Rep. Lee Hai-min) No, I mean, let us know the visa type...

(Coupang CEO Harold Rogers) (Original statement) If you can give me one second.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Please give me some time.

(Rep. Lee Hai-min) Please stop.

(Coupang CEO Harold Rogers) (Original statement) Ok, the team will look it up.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) My team will check.

(Rep. Lee Hai-min) Then, you'll need to file your 2025 taxes early in 2026. Where will you file your tax report?

(Coupang CEO Harold Rogers) (Original statement) I file taxes in both Korea and the United States.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I file taxes both in Korea and the United States.

(Rep. Lee Hai-min) It's not 170 like yesterday, but 140 as you just mentioned. When we asked for the visa types of the dispatched personnel, you said you answered, but that is not true. What you sent was simply that they came legally—nothing more. That's an empty answer. We need data on each person's visa type and whether there are any tax implications. The Ministry of Foreign Affairs and the National Tax Service, please secure the relevant materials and take action together. I'm sure the members here and the public are very frustrated now. To show the intent behind those evasive answers, I've been jotting things down all morning. I created a "Rogers Translator". It's my personal opinion. He keeps saying things like, "This is not a document provided by the company" or "This is an unverified document." He said that a lot yesterday, especially while showing emails. To me, that seems to mean, "Yes, my name is in that email, but if I admit it, there will be legal issues, so this is all I can cling to." That's how I interpret. He also keeps using the word "misinformation." I interpret that as "I'll use the language gap between Korean and English as an excuse." And when he says, "I'm responsible for the Korean business," I take that as "My first mission is to shield Bom Kim from any liability." Is Bom Kim like Voldemort? I don't understand why they keep blocking any mention of responsibility. And when he says, "I regularly have business conversations with the CEO," this is what he said earlier this morning, I interpret that as "I actually talked to Bom Kim about what you just asked, but admitting that would cause problems for him, so I'll phrase it this way." When he says, "I want to finish my testimony because that's my duty as a witness," I see that as "I wanted to derail this hearing with meaningless chatter, but since that didn't work, I'll frame it as my rights being violated so I can later claim I was persecuted and gain an advantage in court." He also claims there was successful cooperation with the government in retrieving materials. I interpret that as "I need to drag the Korean government into this to gain an advantage in the U.S. litigation, because it gives them an excuse for this insanity, so this is something I absolutely cannot concede in this hearing"—that's how I interpret it. If that fails, then he resorts to evasive answers intentionally. And there's Matthes, the CISO, who keeps using the word "stolen." I see that as building a narrative that Coupang is the victim. In short, they're completely ignoring Korean consumers, who provide 90% of their revenue, and are trying to shield the management from responsibility

while securing supporting materials here for upcoming lawsuits in both countries. Now, VP Lee Jae-gul, please step forward.

(Rep. Lee Hai-min) On November 5, 2024, Coupang revised its terms of use by adding something outrageous. They added a disclaimer stating that the company is not liable for damage caused by hacking or malware. I've never seen anything like that. And sure enough, when this was pointed out recently, they rushed to amend the terms last week on December 26 and removed that clause. Is that correct?

(VP Lee Jae-gul) We amended the terms at the request of the Korea Fair Trade Commission and the Personal Information Protection Commission.

(Rep. Lee Hai-min) Yes, you removed it, right? I see that as a confession that it was unlawful all along. Mr. Rogers, let me confirm just one thing before we move on. Do the terms revised on December 26 apply retroactively to the personal information leak we're discussing now?

(Coupang CEO Harold Rogers) (Original statement) I don't know if it will be retroactively provided.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Uhm, I'm not sure.

(Rep. Lee Hai-min) What do you actually know? VP Lee Jae-gul, I'll direct the question to you then.

(VP Lee Jae-gul) Even before that clause was amended – I mean, deleted – it was a general provision stating that the company would take full responsibility in cases of willful misconduct or negligence.

(Rep. Lee Hai-min) So, are you saying that it applies retroactively?

(VP Lee Jae-gul) Whether before or after the deletion, the disclaimer does not apply in cases of the company's willful misconduct or negligence. (Audio overlap)

(Rep. Lee Hai-min) Does it apply retroactively? Yes, does it apply retroactively?

(VP Lee Jae-gul) It's not a matter of it applying retroactively; the point is there's no significant difference before or after the deletion.

(Rep. Lee Hai-min) No significant difference? There is a huge difference. Impressive.

(VP Lee Jae-gul) Because the clause provided that the company would take responsibility in cases of willful misconduct or negligence... (Interrupted)

(Rep. Lee Hai-min) (Audio overlap) Okay. Then let's check whether there was willful misconduct or gross negligence. Mr. Matthes, please come forward. Coupang is an ISMS-P certified company, correct?

((Coupang CISO Brett Matthes) (Original statement) That is correct.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) That is correct.

(Rep. Lee Hai-min) The certification standards require immediate revocation of access upon leaving the company, correct?

(Coupang CISO Brett Matthes) (Original statement) When an employee leaves, you mean, their access is revoked? If so, that is correct.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) When an employee leaves, his access should be revoked.

(Rep. Lee Hai-min) In this case, was access revoked immediately?

(Coupang CISO Brett Matthes) (Original statement) Yes, it was. As I explained, the former employee stole the key while working for the company. (Interrupted)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) As I mentioned, the former employee stole the key.

(Rep. Lee Hai-min) No, no. Was access revoked immediately?

(Coupang CISO Brett Matthes) (Original statement) The ex-employee had no authority (Inaudible) he left. The answer is "yes."

(Coupang CISO Brett Matthes) (Simultaneous interpretation) The former employee had no related authorization at all. The answer is "yes."

(Rep. Lee Hai-min) This needs some explanation... the insider act. You keep saying "stolen," but if it was an insider act, are you saying that isn't a crime or an attack? That also falls within the realm of security. Coupang simply failed to prepare. You can't avoid admitting this was a security failure. This is clearly gross negligence.

Let's look at the monitoring system as well. This incident was reportedly detected only after a customer reported it. That means Coupang's own monitoring system was practically nonexistent, which I interpret as a clear breach of corporate duty and serious negligence. Do you agree?

(Coupang CISO Brett Matthes) (Original statement) I am sorry I do not understand the question.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I did not understand the question.

(Rep. Lee Hai-min) Is there anyone who can actually answer? Whenever a question gets unfavorable, you just say you don't know. Also, the authentication token value wasn't an encrypted random number—it was designed as an integer that increments by 1. That's a structure that can be easily compromised. This is also clear negligence. Let me summarize. Security is an essential component of the services a company provides, right?

(Coupang CISO Brett Matthes) (Original statement) Our customer identifier? Is that what you are referring to? The memberSRL?

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Are you referring to customer identification information? And the SRL... (Interrupted)

(Rep. Lee Hai-min) I said security is an essential component of the services a company provides.

(Coupang CISO Brett Matthes) (Original statement) That is correct. Yes.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) That is correct.

(Rep. Lee Hai-min) Customers signed up for Coupang with the expectation and trust that their personal information would be securely protected, right?

(Coupang CISO Brett Matthes) (Original statement) Yes, I agree.
(Coupang CISO Brett Matthes) (Simultaneous interpretation) Yes, I agree.

(Rep. Lee Hai-min) Adding a disclaimer saying you wouldn't take responsibility for a security failure was basically a long-standing declaration that you didn't value customers' personal information. And deleting that clause immediately after this incident is, in my view, a confession that the clause was clearly illegal.

Even in Chairman Bom Kim's lengthy apology, there isn't a single sentence saying this incident was Coupang's fault. I assume that was written to avoid legal liability. It's cowardly and disgraceful.

I'm not sure if you've heard the word "*donjeok-seureopda*" — I hope this is interpreted well. This word means you behave in an extremely petty and dirty manner. Yesterday and today, I've pointed out the need for cooperation with the U.S. IRS, the roles of the Ministry of Science and ICT as the authority responsible for platform oversight, the roles of the Minister of Employment and Labor, and the roles of the Personal Information Protection Commission, among others.

I don't think many questions have been directed to the Chair of the KMCC. The real anxiety this incident causes to the public is, "Will I get scam emails? Is it safe to click this text message? What if I get a strange call?" Or "Has some payment been made using my information? Why are there weird alerts from overseas?" These are the concerns. The way to ease that anxiety is through the role of the KMCC, which enforces the regulations that protect our citizens' communications. I request that you ensure thorough monitoring on this matter.

(KMCC Chairperson Kim) We share the concerns you raised, and we've been conducting fact-finding and inspections continuously since the incident occurred.

(Rep. Lee Hai-min) What I'd also like to ask KMCC is... Given Coupang's scale, what I find baffling is their continued use of dark patterns. I find myself being redirected to the Coupang site without realizing it, and I click something with no intention of visiting Coupang, yet that's where I end up. Usually, such practices are done by very small businesses. The fact that a company like Coupang continues to maintain such practices—I would describe it as quite crude from the perspective of someone who has built services before. I'd like to ask that you conduct a full investigation into all dark patterns Coupang has engaged in.

In Coupang's case, the leakage of personal information has affected the lives of the entire nation, and I believe the root cause lies with the management. It's an owner risk. Broad verification is necessary. I would like to reiterate to the Chairperson that this should lead to a comprehensive National Assembly investigation, including an on-site investigation. That's all.

(Chairperson Choi Min-hee) Yes. Rep. Lee Joo-hee, please proceed with your questions.

(Rep. Lee Joo-hee) First, Witness Yoon, please come forward. I can't see your face very well. Is there a way to fix that? Yes, that's better. Now, among the answers you gave me yesterday, there was something that was not true. Many people who watched yesterday's hearing contacted our office late last night, and even past midnight into the early morning today. Some of them worked at Coupang with you, and some were people you met when signing annual PPM contracts. Now, at this hearing, many small business owners who have been afraid to speak out against Coupang are finally starting to raise their voices. We have already secured recordings provided by whistleblowers. So, Witness, you must now speak truthfully without any lies. Do you understand?

(Audit Committee Member Yoon) Yes, I understand.

(Rep. Lee Joo-hee) You stated that Coupang signs PPM contracts with suppliers every December. Is that correct?

(Audit Committee Member Yoon) Let me explain, Representative. PPM is not a contract; it refers to the general margin.

(Rep. Lee Joo-hee) Yes, yes, yes. You sign contracts every December, right?

(Audit Committee Member Yoon) We conduct annual negotiations.

(Rep. Lee Joo-hee) We also checked yesterday the selling prices of products purchased by Coupang from suppliers. You admitted yesterday that you lower the prices through dynamic pricing, correct?

(Audit Committee Member Yoon) We operate dynamic pricing.

(Rep. Lee Joo-hee) Yes, and you said Coupang receives growth rebates, correct?

(Audit Committee Member Yoon) We receive them from some suppliers.

(Rep. Lee Joo-hee) And you claimed it is legal, right?

(Audit Committee Member Yoon) Yes, the Large Retail Business Act allows... (Interrupted)

(Rep. Lee Joo-hee) The growth rebate you mentioned refers to the incentive Coupang receives from suppliers, ranging from 1 to 5 percent, when exceeding Coupang's target margin compared to the previous year's same month, correct?

(Audit Committee Member Yoon) It varies by supplier, Representative.

(Rep. Lee Joo-hee) Yes, exactly. There must be a range. Yesterday at the hearing, you said that growth rebate is the only incentive that exists and that it is negotiated between Coupang and suppliers for mutual growth. Is that true?

(Audit Committee Member Yoon) Yes, we negotiate and enter into contracts.

(Rep. Lee Joo-hee) In Coupang's annual contracts, only the truly legal parts are written down, while many terms such as PPM and target margins are agreed upon verbally. Do you acknowledge this?

(Audit Committee Member Yoon) I..comp.. tell employees to... (Interrupted)

(Rep. Lee Joo-hee) Please answer clearly with yes or no.

(Audit Committee Member Yoon) We strongly train them to comply with compliance standards.

(Rep. Lee Joo-hee) Do you really train them that way?

(Audit Committee Member Yoon) Yes, we do.

(Rep. Lee Joo-hee) Now, shall we take a look at this PPT? In the ongoing lawsuit, Coupang admitted that it received money under the name of sales incentives without an annual master contract. Besides growth rebates, what other items are used to meet PPM, that is, Coupang's pure margin?

(Audit Committee Member Yoon) Representative, I'm seeing this for the first time. May I... the phrasing here... sales incentives without a master contract ...

(Rep. Lee Joo-hee) The issue I'm raising, is this covered in the master contract or not?

(Audit Committee Member Yoon) We have a standard contract... (Interrupted)

(Rep. Lee Joo-hee) Do you make verbal agreements or not?

(Audit Committee Member Yoon) We do not make verbal agreements, as far as I know... (Interrupted)

(Rep. Lee Joo-hee) You do not make verbal agreements?

(Audit Committee Member Yoon) I... (Interrupted)

(Rep. Lee Joo-hee) Please answer clearly.

(Audit Committee Member Yoon) I strongly enforce compliance training for employees and repeatedly tell them to adhere to it.

(Rep. Lee Joo-hee) Now, Witness, Coupang receives advertising fees, correct? How do you receive those advertising fees?

(Audit Committee Member Yoon) To promote sales growth, we negotiate with partner companies or... (Interrupted)

(Rep. Lee Joo-hee) So you negotiate to receive them? And as the head of retail advertising, you are the one handling this, correct?

(Audit Committee Member Yoon) No, there is a separate advertising team.

(Rep. Lee Joo-hee) There is a separate team, and you have no responsibility?

(Audit Committee Member Yoon) We also sell some advertising ourselves.

(Rep. Lee Joo-hee) Now, Witness, aside from this, are there any other means of extortion used for suppliers to meet PPM? Yes or no, please answer clearly.

(Audit Committee Member Yoon) We do operate various programs.

(Rep. Lee Joo-hee) You operate various programs?

(Audit Committee Member Yoon) Yes.

(Rep. Lee Joo-hee) What programs are they?

(Audit Committee Member Yoon) You called it ext... (Interrupted)

(Rep. Lee Joo-hee) We have a recording stating that because PPM was not met, as much as 49 million won was extorted in a single month. Witness, aren't you, Helen, the one responsible for all of this?

(Audit Committee Member Yoon) Yes, I am in charge of the retail business division.

(Rep. Lee Joo-hee) We have a recording from someone who reported after watching yesterday's hearing, which was broadcast nationwide. Let's play it. Please start the audio.

(Recording of a phone call between the whistleblower and Rep. Lee Joo-hee's office)

(Whistleblower) People I know from Coupang were speaking, answering questions from the lawmakers... I knew the facts, but seeing them answer as if they didn't know was very unpleasant. And even before this, I thought these were really bad practices and bad behaviors that needed to be corrected for everyone's sake. So I felt this was a good opportunity, and I called because I wanted this hearing to get closer to the truth.

(Rep. Lee Joo-hee's office) Was anyone lying?

(Whistleblower) I can say for sure that Yoon Hye-young was lying.

(Rep. Lee Joo-hee's office) How do you know Yoon?

(Whistleblower) We worked together at Coupang in the past.

(Rep. Lee Joo-hee's office) What instructions did she give regarding sales incentives or other matters?

(Whistleblower) She instructed to get losses suffered by Coupang due to dynamic pricing compensated by suppliers.

(Rep. Lee Joo-hee) Witness Yoon, you heard that. This is a vivid testimony. What do you think?

(Audit Committee Member Yoon) Representative, this is the first time I'm hearing this, so I need to check internally... (Interrupted)

(Rep. Lee Joo-hee) Do you need to check this? Are you going to track down the whistleblower? Who made decisions on these illegal sales incentives? Was it you, Witness Helen?

(Audit Committee Member Yoon) We did not engage in illegal... (Interrupted)

(Rep. Lee Joo-hee) Was it James, Lee Byung-hee? Was it Gaurav? Or was it Bom Kim in the U.S.? Who was it? Answer.

(Audit Committee Member Yoon) The overall retail business is managed by me and Lee, Byung-hee.

(Rep. Lee Joo-hee) So are you saying you are accountable?

(Audit Committee Member Yoon) If we failed to provide proper training to employees and ensure compliance, I would also be at fault. (Audio overlap)

(Rep. Lee Joo-hee) So you're saying you're accountable, but this is being done by employees because they were not properly trained?

(Audit Committee Member Yoon) That is not what I mean.

(Rep. Lee Joo-hee) Now, let's look at the Large Retail Business Act. Look at Paragraph 1: "A large-scale retailer shall not, without just cause, require a supplier, etc. to provide money, goods, services, or other economic benefits for itself or a third party". It is clearly stated, right? That is the principle. But Paragraph 2 says that, notwithstanding Paragraph 1, a large-scale retailer may receive sales incentives under certain conditions as part of an annual master contract. However, even in this case, "it cannot exceed what is considered reasonable in the relevant business sector". Whether it's a legal expert or not, any citizen reading this provision can understand what this means. What is it? The principle is: don't do it. The exception only applies when it is stated in the master contract. And even then, it must be within a reasonable range. But what is happening now? We have numerous testimonies saying that Coupang is illegally and unlawfully extorting large sums under the guise of incentives, and our small business owners are shedding tears. What do you think about this?

(Audit Committee Member Yoon) I will take your words seriously and look for ways to improve.

(Rep. Lee Joo-hee) Will you make improvements?

(Audit Committee Member Yoon) We will review this internally.

(Rep. Lee Joo-hee) Are you saying again you will review it? Will you make improvements or not?

(Audit Committee Member Yoon) Stronger compliance for employees.. (Interrupted)

(Rep. Lee Joo-hee) Is it the employees' responsibility again?

(Audit Committee Member Yoon) We will provide training to ensure compliance is observed.

(Rep. Lee Joo-hee) Chairperson of the KFTC?

(KFTC Chairperson Ju) Yes.

(Rep. Lee Joo-hee) The KFTC has already imposed administrative penalty, considering the absence of an annual master agreement for the collection of sales incentives from suppliers an act of extortion, correct?

(KFTC Chairperson Ju) Yes, we did, and we are currently handling it as a new case as well.

(Rep. Lee Joo-hee) Yes, but Coupang has suspended the execution of the KFTC's decision and continues to claim that their act was legal. At the same time, they are still collecting sales incentives from suppliers verbally. This was mentioned even yesterday. By our anonymous informant.

(KFTC Chairperson Ju) Yes.

(Rep. Lee Joo-hee) I mentioned earlier the legislative purpose and interpretation of the Large Retail Business Act, correct?

(KFTC Chairperson Ju) Yes, you explained it well earlier. And one more thing – there's also a violation of Article 17, Subparagraph 10 of the Act, regarding imposing a disadvantage by shifting margin losses onto suppliers as advertising costs.

(Rep. Lee Joo-hee) That's correct. There is an additional violation. Chairperson, as you said just now and yesterday, you must not turn a blind eye to the illegal acts of Coupang, which has grown large on the blood of our small business owners.

(KFTC Chairperson Ju) Yes, the issue of platform operators making life difficult for small business owners must be resolved without fail.

(Rep. Lee Joo-hee) Yes, I strongly urge you to resolve this promptly. Witness Yoon Hye-young? Before PPM was introduced, you listed the products coming from suppliers who didn't want to join Coupang, by sourcing them secretly from department stores... (Mic off)

(Statement after mic off) There are even reports now that you bought products from there and listed them on Coupang at lower prices. And yet you still continue to lie? And shifting the blame onto the employees?

(Audit Committee Member Yoon) I am not aware of the incident you are referring to, but I will check into it.

(Rep. Lee Joo-hee) (Mic off) You don't know about this?

(Audit Committee Member Yoon) No.

(Chairperson Choi Min-hee) Let's give Rep. Lee Joo-hee two more minutes. Repeat what you just said clearly. I'll use my time for it... (Audio overlap)

(Rep. Lee Joo-hee) I couldn't finish because my time was up. Witness Yoon Hye-young, you worked at Coupang even before the PPM system was introduced, correct? There are reports that even before then, you secretly purchased goods from department stores and displayed them at prices determined by Coupang, trying to onboard suppliers who refused to join. What will you do about this? Will you continue to lie?

(Audit Committee Member Yoon) It is our duty to provide the products that customers want and are looking for.

(Rep. Lee Joo-hee) Are you saying that under the excuse of meeting customer demand, you are exploiting small and medium-sized suppliers?

(Audit Committee Member Yoon) That was not the intention of my statement.

(Rep. Lee Joo-hee) Aren't you just making excuses now? You keep blaming the employees, don't you? You make verbal agreements for PPM that aren't even in the contract, enforce dynamic pricing, control supplier prices, and earn profits through illegal incentives, driving small businesses into bankruptcy because they can't withstand it. This is what Coupang is doing. Who is responsible for

this Coupang Retail, where all these issues are concentrated? Answer again. Is it you, Witness? Is it Lee Byung-hee? Is it Gaurav? Is it Bom Kim? Who is ultimately responsible? Answer me.

(Audit Committee Member Yoon) I and Lee Byung-hee are responsible.

(Rep. Lee Joo-hee) Then when this problem occurs, will you take full responsibility? Do you promise?

(Audit Committee Member Yoon) We will make every effort to prevent recurrence.

(Rep. Lee Joo-hee) Not only recurrence—you must also take responsibility for the existing problems. Do you understand?

(Audit Committee Member Yoon) I will take your words seriously.

(Rep. Lee Joo-hee) Lastly, we have an anonymous witness here. You gave important testimony yesterday. Seeing Coupang's practice of pressuring suppliers to extract profits must have made you think a lot. Please share any remarks you would like to make at this moment.

(Reference Witness) Good afternoon, and thank you for giving me this precious time. I am the representative of a small business that has suffered continuous and repeated harm from Coupang over the past several years. At this point, I'm almost used to the threats and extortion. Like a bullied student enduring school violence, I had to take the blows whenever Coupang struck and comply whenever Coupang demanded. When coming here today, I was so concerned that my identity might be exposed that I wore a hat, sunglasses, and a mask. As a victim, I am crouching in a corner of this hearing, hiding my face like this. Meanwhile, Coupang's executives, who have engaged in threats and extortion, sit there openly, confidently answering lawmakers' questions. I do not know if this is justice.

I have one more thing to say. On August 5, 2024, the KFTC imposed an administrative penalty of KRW 162.8 billion on Coupang for giving preferential treatment to its private-label products. That day, I was in Sejong City. As the representative of a company harmed by Coupang's favoritism toward its private-label products, I gave interviews to reporters while hiding my face, just as I am today. It was August 5, in the peak of summer heat, yet I had to wear a hat, sunglasses, and a mask in that scorching weather.

Since you granted me this precious time, I want to confess a secret that no one knows: I was the very first whistleblower in March 2022 regarding Coupang's favoritism toward its private-label products, which led to the administrative penalty of KRW 162.8 billion. My company is a supplier that sells products quite well on Coupang—still does. But the better we sold, the more Coupang targeted us.

Coupang's abuse began about six years ago when they started preparing for their listing on the New York Stock Exchange. Coupang sold products identical in design to our best-selling items, which our employees had created through sweat and hard work. They went to overseas factories, such as those in China, that manufacture our products, showed them our designs, and demanded that they supply identical products for Coupang's private label—or else stop doing business with us—while promising to increase order volumes to sway the factories. In the end, we lost our top-selling products to Coupang's private label. What we have lost is beyond measure. We lost six years ago, five years ago, four years ago, three years ago, two years ago, and even now—even after the KFTC imposed the administrative penalty—we are still losing. Even at this very moment while this hearing is underway, our company's popular products are undoubtedly being targeted by Coupang –

where the witnesses present today, CPLB's CEO Jeon Kyung-soo and Retail's Yoon Hye-young, are working. I feel deeply wronged. And I feel so sorry for my employees. I am sorry because I don't have the power, or because the society we live in is not fair. I am sorry for knowing what is wrong yet being unable to correct it in this environment. That is why I am here today.

And finally, let me say this: I did not become the first whistleblower solely for the sake of my company. Our company is relatively large, with multiple sales channels and products, so we can survive without Coupang. It was January 2022, a cold winter. While analyzing the harm done to our products, I realized we were not alone. Coupang, represented here by Yoon Hye-young, and CPLB, represented by Jeon Kyung-soo, had begun hunting countless popular products. They copied the top-selling toilet paper, kitchen detergents, instant rice—the list is endless. But what made me decide to blow the whistle was seeing Coupang target *bangpung* greens, which was KRW 3,000 for 200 grams. I imagined the small business owner who supplied those greens to Coupang, someone I do not know and have never met. How happy that person must have been when their greens became a popular item on a giant platform like Coupang, even if it was just a KRW 3,000 product. Yet Coupang took even that away. Today, if you search for *bangpung* greens on Coupang, only Coupang's private-label Rocket Fresh products appear. What used to cost KRW 3,000 for 200 grams now costs over KRW 4,000. When I thought of that small business owner, unaware of why their sales were dropping, still trimming those greens, I cried—just as I am now. And I decided to expose Coupang's practices to the world. But apart from the KRW 162.8 billion penalty imposed on Coupang, nothing has changed. I could not bring comfort or help to other victimized companies. And so, I am here again.

I earnestly appeal to the honorable Chairperson, the members of this committee, and all lawmakers present in this National Assembly: Please enact a special law for Coupang to prevent and remedy harm to victimized companies. Please listen to the stories of businesses that have suffered for years and fulfill the legislature's role to ensure this never happens again.

And to the Deputy Prime Minister, Ministers, Vice Ministers, and other government officials present today, I make this heartfelt plea: Companies like ours fear Coupang more than we fear government agencies—because our livelihoods depend on it. Coupang stands above public authority. More importantly, even when we report and expose Coupang's illegal acts, for years the government has failed to stop them. Is Coupang above the law, above the government of the Republic of Korea? As a citizen, I feel deeply frustrated and saddened.

Lastly, I ask everyone here: Please protect the *bangpung* greens of our small businesses. Even now, somewhere, there is another small business suffering harm from Coupang—another *bangpung* greens, another owner trimming those greens. Please help ensure that hearings like this never have to occur again in our society, by enabling companies like mine—those that have suffered harm—to come forward openly and confidently to report abuses and prevent further damage. I want to pass on a fair Korea—a fair society—to my children. And I believe that is the just world we must build together. Thank you for listening patiently to the end.

(Chairperson Choi Min-hee) Yes, thank you. Representative Lee Hai-min, during the earlier Q&A session, you raised a question about the terms and conditions in question - the clause concerning unauthorized access by a third party or ... It was created on December 5, 2024, and then removed on December 26, 2025. So, just to clarify, your question was whether the changes would apply retroactively to incidents that occurred during that period, correct?

(Rep. Lee Hai-min) Yes, correct.

(Chairperson Choi Min-hee) But the answer given was completely off the mark. Surely, someone understood, right? Vice President Lee Jae-gul, did you grasp what Representative Lee's question was about? The question about retroactive application relates to whether Coupang's current hacking incident falls within that timeframe. That was the point of the question. I am restating this because I'm not sure if you genuinely didn't understand or if you're just pretending not to. We will receive a proper answer to that later. Representative Kim Nam-geun, please proceed with your questions.

(Rep. Kim Nam-geun) First, Ms. Yoon Myung from Consumers Korea, please come forward. Also, as I can't see the Chairperson of the Fair Trade Commission from here, I'd also like the Chairperson to step forward to the witness stand so I can question them both together. Please pause for a moment and then restart it once they are settled.

(Chairperson Choi Min-hee) Please reset the timer to 10 minutes and start.

(Rep. Kim Nam-geun) Thank you. I am Kim Nam-geun, a National Assembly member, representing Seongbuk Eul, Seoul. This morning, I asked Coupang whether it is capable of practicing socially responsible management, and they gave a vague answer saying they would, and even claimed that they've made efforts. Consumers have consistently raised their voices on the principle that companies with significant influence over consumers—such as Coupang—must engage in socially responsible management, and that they should not engage in business practices that invite social criticism. You have been vocal on this issue as well, have you not?

(Yoon Myung, Consumers Korea) That's correct.

(Rep. Kim Nam-geun) So, what is your view? Do you believe Coupang can be reborn as a company that genuinely practices socially responsible management?

(Yoon Myung, Consumers Korea) Before even discussing social responsibility, I do not believe Coupang can be trusted as to how it conceptualizes its relationship with consumers at this point. In my view, setting aside the issue of social responsibility, Coupang is failing to fulfill even its most basic duties of good faith and sincerity in its contractual relationship with consumers.

(Rep. Kim Nam-geun) Yes, it appears that consumers, too, have no trust whatsoever in the idea that Coupang will transform itself into a company that genuinely practices socially responsible management on its own. Chairperson of the Korea Fair Trade Commission, please stand next to Ms. Yoon. At this point, it appears difficult for Coupang to resolve this on its own. The government needs to step in, and there is broad public sentiment that strong sanctions against Coupang are necessary. On December 26, consumer organizations publicly called for strong sanctions, even if that entails some short-term inconvenience to consumers. That is correct, isn't it?

(Yoon Myung, Consumers Korea) That's correct. Consumers are demanding that strict accountability be upheld, going so far as to say that even a business suspension should be considered.

(Rep. Kim Nam-geun) I understand that the Fair Trade Commission may be hesitant to impose a business suspension due to concerns about consumer convenience and the fear that delivery drivers might temporarily lose their jobs. However, a business suspension does not necessarily mean a full shutdown. A 'partial suspension' is also an option. The courts have consistently recognized and upheld partial suspensions as well. For instance, while Coupang effectively monopolizes overnight

and dawn deliveries, aren't there already plenty of competitors in the market for daytime deliveries?

(KFTC Chairperson Ju) Yes.

(Rep. Kim Nam-geun) For instance, if you anticipate significant backlash from consumers and delivery workers regarding a suspension of overnight delivery, you could instead consider imposing a partial suspension limited to daytime delivery. If you analyze the data... it appears that at least 30% of Coupang's revenue comes from daytime deliveries according to our estimates. And consumers have alternatives for daytime delivery services...

(KFTC Chairperson Ju) We need to comprehensively consider consumer harm and the damage to suppliers as well...

(Rep. Kim Nam-geun) That is because there are other companies that are also engaged in daytime delivery services, aren't there?

(KFTC Chairperson Ju) Yes, it is possible that people would switch to those.

(Rep. Kim Nam-geun) Exactly. It doesn't strictly have to be Coupang. Since consumers and workers have the room to utilize other channels, I believe the disruption would not be that severe. Therefore, such a measure is certainly a feasible option. Furthermore, for instance, you could impose a partial suspension limited to prohibiting the acceptance of new members for one year. Given the recent increase in users leaving Coupang, this measure could serve as a sufficient wake-up call for Coupang. It would force them to correct their course and genuinely establish themselves as a company practicing socially responsible management. In addition, Coupang leveraged the monopoly power it secured in e-commerce to enter the food delivery app market, dominating it in just one year. This is what is known as the 'transfer of market dominance,' isn't it? By transferring their monopolistic power...

(KFTC Chairperson Ju) Well, they haven't completely taken over, but they have achieved significant results...

(Rep. Kim Nam-geun) They've dominated the delivery app market in Seoul. It has become the number one player...

(KFTC Chairperson Ju) In some districts, yes.

(Rep. Kim Nam-geun) And in the OTT market as well. In the domestic OTT sector, Coupang Play quickly pushed out competing services and then, leveraging its position in the e-commerce market... (audio overlap)

(KFTC Chairperson Ju) Yes, through tying practices...

(Rep. Kim Nam-geun) They've taken over, haven't they? And not just that—stationery, flower delivery—they are continuously transferring their market dominance into new sectors. So, imposing restrictions to prevent entry into these new markets could also be an option, as part of a partial suspension.

(KFTC Chairperson Ju) In any case, the KFTC must take firm action against unfair practices where an uncompetitive business unfairly expands its market reach through tie-in sale.

(Rep. Kim Nam-geun) So what I'm saying is, a suspension of operations should not be dismissed outright. Isn't it the case that consumers now believe that some level of sanction is necessary for Coupang to reform? Delivery workers and merchants may suffer some losses, but Coupang needs to seize this opportunity to change course. Right now, they're here before the National Assembly, simply stalling and denying any responsibility.

(KFTC Chairperson Ju) Indeed. Taking this opportunity ...

(Rep. Kim Nam-geun) If they do not change this attitude of stalling and delaying, we cannot allow things to continue as they are. Isn't that so?

(KFTC Chairperson Ju) Coupang must transform itself into a more socially responsible company.

(Rep. Kim Nam-geun) What I am saying is that the KFTC must not continue to show leniency toward Coupang or simply sit idly by, as was done during the Yoon Suk-yeol administration. Therefore, I ask that you actively consider business suspension measures, including partial suspension. Furthermore, beyond suspension, there are currently numerous grounds for imposing administrative penalties as well.

(KFTC Chairperson Ju) There are indeed many issues. We are handling a number of different cases.

(Rep. Kim Nam-geun) From what I can see, there are issues involving tying practices, as well as demands for most favored-favored-treatment...

(KFTC Chairperson Ju) The fact that we're handling multiple cases right now... I truly hope Coupang will voluntarily engage in fair and mutually beneficial business practices going forward.

(Rep. Kim Nam-geun) There's also search ranking manipulation, and many other issues.

(KFTC Chairperson Ju) Tie-in sale...

(Rep. Kim Nam-geun) Tying practices, and in connection with PB (private brand) manufacturing outsourcing, they've even engaged in price squeezing in supply contracts. They are engaging in all the same kinds of misconduct that the old conglomerates committed during their growth years.

(KFTC Chairperson Ju) The use of private brands deprives small and medium-sized merchants of the business opportunities they have worked so hard to build. This conduct is similar in nature to technology theft. So...

(Rep. Kim Nam-geun) Previous administrations have repeatedly touted Coupang as an 'innovative enterprise' and focused on nurturing it. Coupang is attempting to grow by repeating the same kinds of misconduct that the old conglomerates engaged in during their growth years. I am saying that there must be no leniency regarding such conduct. Only then can Coupang grow into a sound and responsible company in the Republic of Korea. And if sustainable growth is the goal, isn't that the necessary path?

(KFTC Chairperson Ju) That is correct.

(Rep. Kim Nam-geun) Do you really think they can become a sustainable company if they continue to stonewall like this, making a mockery of the public and the National Assembly?

(KFTC Chairperson Ju) Sustainable operations are possible only if Coupang engages in cooperative and mutually beneficial relationship with its suppliers.

(Rep. Kim Nam-geun) So on those fronts as well, the Commission should proceed proactively with the imposition of administrative penalties, and not be swayed even if an application for a consent decree is submitted. As for monopoly and dominance issues, the KFTC has been overly hesitant—this continued under the Yoon Suk-yeol administration. As I said, you should designate a company as monopolistic or dominant if it is so. And you must not vacillate over designating Kim Bom-suk as the “same person,” that is, the head of the conglomerate group.

(KFTC Chairperson Ju) Yes, I will look into that issue as well.

(Rep. Kim Nam-geun) You need to take these steps so that Coupang will finally get its act together. Next, consumers and victims also need a way to seek recourse, but currently, they lack the effective means to do so, don't they? Secretary General Yoon, in other countries consumers can bring class actions, can't they?

(Yoon Myung, Consumers Korea) That's correct.

(Rep. Kim Nam-geun) Even if U.S. style class actions are somewhat difficult to adopt within our legal system, systems are already well established in Europe and Japan—and even within Europe, in countries such as France—where consumer organizations or public-style class actions are somewhat difficult to adopt within our legal system, systems are already well established in Europe and Japan—and even within Europe, in countries such as France—where consumer organizations or public-interest groups can first bring lawsuits to establish liability for unlawful conduct, and then affected consumers can obtain full compensation simply by filing claims under that judgment. Those types of collective action systems are already firmly in place, aren't they?

(Yoon Myung, Consumers Korea) Yes. For some time now, consumer organizations have been calling for the enactment of what we call the “three consumer protection laws”: collective actions, punitive damages, and a shift in the burden of proof.

(Rep. Kim Nam-geun) As for the shift in the burden of proof, under the current Lee Jae-myung administration we are pursuing what is referred to as a “Korean-style discovery system”, one that would require parties to disclose materials, instead of coming before the National Assembly and refusing to submit documents as we see now. We are also considering measures that would impose penalties of up to five years' imprisonment for failure to produce required materials. Next, with respect to punitive damages, these should not apply only to cases involving malicious, unlawful conduct. Reckless behavior—such as recklessly refusing to acknowledge responsibility and delaying compensation, as we are seeing now—should also fall within the scope of punitive damages. For these reasons, I believe that if Coupang's current conduct had occurred in the United States, the company would already be facing class action litigation and punitive damages, and would be confronting an existential crisis—whether it could continue operating at all...

(Yoon Myung, Consumers Korea) I fully agree.

(Rep. Kim Nam-geun) It is only because we are in Korea that Coupang can get away with such behavior. You believe that, taking this opportunity, it is critical to legislate these measures—the three laws including class action, punitive damages, and the discovery system for shifting the burden of proof—don't you?

(Yoon Myung, Consumers Korea) Yes. I earnestly ask for your support and that of the other members to ensure these laws are enacted at this time.

(Rep. Kim Nam-geun) Okay, Chair of the Korea Fair Trade Commission, while this is formally legislation under the Ministry of Justice, the KFTC must also coordinate with the Ministry, correct? You need to promptly clarify your position on what type of collective action system to adopt—whether a European-style collective action or a U.S.-style class action. Given that the President has repeatedly spoken on this issue, there is no need for unnecessary theoretical debates. We should move quickly to enact a system that is suitable for Korea—especially since such mechanisms have, in many respects, already become global standards.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Nam-geun) My current concern is that the United States keeps exerting trade pressure regarding the Platform Act, labeling it a 'non-tariff barrier.' However, based on what I have confirmed, what the US is officially taking issue with is the 'Platform Monopoly Regulation Act,' which could affect companies like Google and Apple. Specifically, they oppose the European-style 'ex-ante designation.' Since the US and Europe are currently locking horns on this issue, they are essentially telling Korea not to align with the European approach. Isn't that correct?

(KFTC Chairperson Ju) That is correct.

(Rep. Kim Nam-geun) So adjusting the pace of legislation on that issue may be understandable. However, the Online Platform Fairness Act—which would address issues such as excessive commissions, delayed settlements where companies like Coupang postpone payments for 45 or even 60 days, and unilateral changes to transaction terms—needs to be introduced and enacted promptly...

(KFTC Chairperson Ju) Yes, prompt legislation...

(Rep. Kim Nam-geun) The Office of the Minister for Trade keeps advising us to refrain from legislating, claiming it won't be easy because Coupang's lobbying power in the US is formidable. I think the KFTC needs to clearly establish its stance on this matter.

(KFTC Chairperson Ju) I do not view it that way. As long as we ensure 'non-discriminatory law enforcement,' it certainly..... Korea has always been non-discriminatory, and will continue to be so. As long as that is guaranteed, I believe it will not be a problem at all.

(Rep. Kim Nam-geun) (Mic off)
(Statement after mic off) That's all.

(Chairperson Choi Min-hee) Rep. Oh Gi-hyoung, please proceed with your questions.

(Rep. Oh Gi-hyoung) Yes. I would also like to direct a few questions jointly to Mr. Rogers. First, since I didn't finish my point about the class action lawsuit earlier, I'd like to add just one brief comment. If a law regarding class action lawsuits is introduced, retroactive application is possible because it falls under procedural law. If that happens, I believe a nightmare scenario will unfold for Coupang. It depends on the fact-checking—whether it is 3,000 records or 33.7 million records—but if indeed 33.7 million records were leaked, then as I mentioned earlier, you would be liable for damages amounting to about 3.7 trillion won... no, 3.37 trillion won. And if that legal process proceeds, then

I do not believe Coupang—nor the people seated here, nor those working alongside you behind the scenes, nor even Mr. Kim Bom--suk in the United States—would be able to withstand it. I am saying this because I, along with the public watching this, intend to pay close attention and find a way to ensure this accountability. In that scenario, Mr. Rogers, wouldn't this constitute a 'material incident'? Do you agree?

(Coupang CEO Harold Rogers) (Original statement) It's a serious incident. As I understand from what everyone has said, there are many ways to destroy Coupang. It's, they've all talked about them.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) (Interpretation was not available due to a technical issue)... You've all talked a lot about the various ways.

(Rep. Oh Gi-hyoung) To be clear, this is not about "destruction." This is a system that also exists in the U.S. In the U.S., under U.S. law, there are measures to sanction wrongful actions. What I'm pointing out is that Coupang is exploiting Korea's institutional loopholes to gain improper benefits. This is not about destroying Coupang. If Coupang has violated the law, then you should bear responsibility under that law. In the U.S., a major company like Enron—the seventh largest one—went bankrupt because it violated the law and committed accounting fraud. I am saying that if you broke Korean law, you will bear the responsibility. I am not demanding that you take responsibility when you haven't violated the law. Do not use a false frame. I am saying you must take responsibility when it is due. So right now, the debate is about fact-checking. That's what this is about.

Now, I will move on to the next topic and ask about the CLT. Please change the slide. I would like the investigative agencies present here to take a look at this as well. The second slide, please. The wording is as follows: "It is acknowledged that the Employee Vine was implemented by the decision of CLT." This is internal data obtained by the KFTC while investigating Coupang's various practices. It is Coupang's internal data the KFTC checked. The term CLT appears here. So, I'd like to ask CEO Park Dae-jun. What is CLT?

(Former CEO Park Dae-jun) I think it refers to Coupang's leadership team...

(Rep. Oh Gi-hyoung) Then, how many individuals are there in the CLT?

(Former CEO Park Dae-jun) I'm not sure if it's an official organization. I've never been part of it, so I don't know exactly how many members there are.

(Rep. Oh Gi-hyoung) From now on, I'm warning you because there's a risk of perjury.

(Former CEO Park Dae-jun) Noted.

(Rep. Oh Gi-hyoung) There is a group email for CLT members within Coupang. Are you aware of it, or not?

(Former CEO Park Dae-jun) Group email...

(Rep. Oh Gi-hyoung) There's an email address such as CLT@coupang.com.

(Former CEO Park Dae-jun) I believe that existed in the past...

(Rep. Oh Gi-hyoung) It existed in the past. And you were never included in that group, not even once?

(Former CEO Park Dae-jun) I was never included in that group.

(Rep. Oh Gi-hyoung) You have no knowledge of it at all?

(Former CEO Park Dae-jun) Correct, I was never included in it.

(Rep. Oh Gi-hyoung) Now, let's move on to the next page. Wait, the previous page. This is Coupang's internal glossary. The KFTC needs to look at this, and everyone here should review it together—especially the investigative authorities. The title for this "CLT" thing is written like this: "executive steering committee for all of Coupang." And then, it states "consists of," meaning that these are the members, and Kim Bom-suk is in there. Kim Bom-suk. Then, it lists "his direct reports and key staff members." So, this is clearly the group that discusses and decides on the core matters of Coupang. This is an internal Coupang document that was submitted to the KFTC, and I am quoting from it. And it includes Kim Bom-suk and the core leadership. Now, who are those key figures? Mr. Rogers, who are the members?

(Coupang CEO Harold Rogers) (Original statement) This is an old term that hasn't been used at Coupang for many years. There are still some employees who throw the term around but there is no Coupang Leadership Team. There is no CLT not for many years.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) This is an old term that hasn't been used at Coupang for a long time. There are still some employees who use this term, CLT, but this term, CLT, no longer exists at present.

(Rep. Oh Gi-hyoung) Who were the members at that time? You are aware that this group existed, so who were the members at that time?

(Coupang CEO Harold Rogers) (Original statement) There was this group many years ago. We haven't used this term for many, many years.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) It existed a very long time ago.

(Rep. Oh Gi-hyoung) When you say, "a very long time ago," how many years ago are you referring to? Please state clearly when it existed and then ceased to be used—specify the timeframe.

(Coupang CEO Harold Rogers) (Original statement) I would have to... I mean, it's been five, six, seven years ago. We'd have to look. We haven't used this terminology...

(Coupang CEO Harold Rogers) (Simultaneous interpretation) It was probably about five, six, or seven years ago.

(Rep. Oh Gi-hyoung) So you are saying it existed five, six, or seven years ago, and that it does not exist now, correct? In any event, all of you will be held responsible for the testimony given here today. Let's move on to the next page. The decision by the KFTC dated August 5th of last year states the following: 2,297 Coupang employees were instructed to write reviews to manipulate the search rankings of its private brand products. It states that this decision was made by this organization called CLT, and that decision was complied with. And who directed this decision to be made? It was Kim Bom-suk. According to the KFTC data, what did Kim Bom-suk use to give that instruction? He used the email address 'CLT@coupang.com'. We are citing the materials from the KFTC. So,

I suggest you verify the facts and debate the KFTC's data yourselves, perhaps by taking it all the way through trial. Now, the second point is this—there is one more here. My wording earlier may have been slightly inaccurate, so I will correct the factual details. He reportedly used that email address regarding the criteria for promotion to Vice President. First, there was a record stating 'by the decision of the CLT' regarding review manipulation for PB product search rankings. Second, Kim Bom-suk sent an email to CLT members suggesting they discuss criteria for Vice President promotions. Therefore, the investigative agencies, everyone here, and subsequently the KFTC or the National Tax Service must investigate the CLT members. Because the CLT members form the 'inner circle' and are the actual decision-makers, I am saying investigations must focus on them, and all issues related to these individuals must be addressed. They are the key decision-makers, and there is a term under Korean law for such people: persons who instructs others to conduct or execute business. This is a term under the Commercial Act. It does not matter whether or not they are formally registered directors of the company. If they have de facto decision-making authority, they are regarded as a person who instructs the execution of business. And such persons are liable for all damages caused to the company. If they made decisions that violated the Fair Trade Act and resulted in frequent penalties, then under Korean civil law and commercial law, there have been cases where shareholder derivative suits were filed against such key decision-makers and the shareholders won the case. Therefore, CLT members must be investigated. And all Coupang shareholders and stakeholders should track this together, as the CLT members will be the ones to bear the responsibility. If Coupang faces liability for KRW 3-point-something trillion in damages due to mismanagement, and if CLT members were involved, all of them must take responsibility with their personal assets. Whether all of this is accurate or not is ultimately a matter of fact-checking. Frankly, we do not know for certain, so it is an area of debate. But let's review it together. Let's take joint responsibility and track this together—that is what I am proposing. To the American investors watching this broadcast, to all stakeholders watching this, and to those inside the company as well: please come forward with information, let us debate together who should bear responsibility. That is why I am talking about the CLT. Let us look at the next page. Mr. Kim Bom-suk is a CLT member. He holds 74.3% of Coupang's voting rights. Mr. Rogers is an executive at Coupang U.S., correct? He is an executive of Coupang in the United States, correct?

(Coupang CEO Harold Rogers) (Original statement) I don't know if this was cleared. There is no CLT.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) CLT does not exist.

(Rep. Oh Gi-hyoung) With respect to the CLT, separate fact-finding is required, and individuals who served as CLT members must be investigated. Next, Mr. Rogers was a core member of Coupang U.S. The one who signed the report submitted to the U.S. Securities Exchange for Coupang was Mr. Rogers. So, you are indeed an executive, correct?

(Coupang CEO Harold Rogers) (Original statement) Yes, I'm an executive officer.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, I am an executive.

(Rep. Oh Gi-hyoung) Here, it states that Mr. Rogers is an officer of Coupang in the U.S., though he's not listed as a director. There are directors for Coupang in the U.S., as well as directors for Coupang Korea. So among these U.S. directors, Korean directors, or officers, some of

them may have previously served as members of CLT. They may be still operating as CLT today. If the police or investigative authorities seize the servers, I believe the data will be there. If it does not exist, then the matter would be resolved accordingly. But if it does exist, then an investigation must be conducted into that data, and all related individuals must be investigated. Now, the ongoing issue regarding the personal information leak is whether the security system functioned properly and whether global standards were maintained. Coupang has not provided sufficient answers, and I argue that global standards were not followed. This point has been discussed yesterday and again today. Second, with respect to this process, there is also the question of whether there was any concealment, and whether the actual number of affected individuals was 33.7 million or only 3,000. This also needs to be verified. On that issue, Coupang has made unilateral claims, while the government has presented a different comprehensive understanding. There is a discrepancy between the two positions. Deputy Prime Minister Bae Kyung-hoon, please clarify the facts and the information you have so far, as well as the data requested from Coupang that has not been provided. As I understand it, there are Suspect 1 and Suspect 2—A and B. Suspect A sent two emails. Those emails from Suspect A were regarded as lacking credibility. Then we have Suspect B—the individuals referred to as Chinese nationals. It is alleged that Suspect B leaked 3,000 pieces of information, yet there is no proof establishing that Suspect A and Suspect B are the same person, is there? And now, some of Suspect A's claims have been corroborated through the investigation into Suspect B. So, Deputy Prime Minister Bae Kyung-hoon, could you please explain this?

(Deputy Prime Minister Bae) To summarize, in the initial extortion email, the suspect claimed to have leaked 120 million delivery address records, 560 million order-history records, and 33 million email addresses. However, Coupang has stated there were only 3,000 leaked records and that they were deleted. I consider that to be a highly risky statement. This is because a joint investigation team, the Personal Information Protection Commission, and the National Police Agency, are currently conducting an investigation, including a comprehensive review. Against that backdrop, there are certain assumptions and points that must be verified. The 3,000 records figure that Coupang is citing appears to be a direct quotation of the suspect's own statement. It is inappropriate to simply quote and rely on the suspect's claim that only 3,000 records were involved. There are additional grounds for suspicion. Investigations commissioned to three entities—including Palo Alto Networks—produced results that almost fully align with the suspect's account. That naturally raises some questions. The important point is... it could indeed be 3,000 records. However, even if those 3,000 records were deleted, we need to know where those records were stored. If they were stored in the cloud and then deleted, it is extremely difficult to trace or verify that deletion. Furthermore, we do not know where else the data might have been stored. So, considering these, this incident carries the potential risk of international exploitation, including with possible foreign or state backing, and therefore must be viewed as an extremely serious matter. For that reason, I believe that any public statement regarding the alleged leakage of only 3,000 records should have been made with far greater caution. If we ask whether Coupang, as an entity under investigation, has been faithfully fulfilling its obligations, there are serious concerns. After receiving the incident report, the Ministry of Science and ICT (MSIT) issued a data preservation order to Coupang on November 19. However, it was later confirmed—on November 27—that Coupang allowed access logs to be deleted, resulting in the loss of approximately five months' worth of website access records. This constitutes a violation of the law. Furthermore, the joint investigation team has issued approximately 160 requests for materials, yet the materials actually provided to us amount to only about 50 items. Among the outstanding requests are critically important materials, including important raw data, the investigation results of U.S.-based cybersecurity firms, penetration testing materials, and the results of red team operations conducted over the past three years. Comprehensive cooperation on these matters is essential. In fact, Coupang should be prioritizing the prevention of further harm to the public, working in tandem with our joint

investigation team. Instead, they are failing to cooperate with our data requests. I believe there is malicious intent behind their decision to prematurely announce their own findings and compensation plans while our joint investigation is still ongoing—what are they afraid of? For that reason, we intend to pursue this matter to the very end. At this point, we have already confirmed that approximately 33,000 email addresses and names were exposed, no, leaked. This has been verified. Furthermore, we believe the actual scale of the leak matches the level claimed by the initial suspect in the blackmail email, and we are continuing our investigation based on that assumption. We will proceed with the investigation as quickly as possible and we will ensure that the results are identified and disclosed as swiftly as possible.

(Chairperson Choi Min-hee) Representative Yeom Tae-young, please proceed with your questions.

(Rep. Yeom Tae-young) Let's talk about social insurance costs. According to the previous agreement, it was decided that the burden of costs for employment insurance and industrial accident compensation insurance should not be passed on to delivery drivers. While other most other courier companies generally bear the full cost, Coupang CLS is the only one where these social insurance costs are split 50-50 between the agency and the delivery driver. Head of Coupang Service Policy, Coupang CLS's claim is that because services such as WOW Membership, which offer unlimited free shipping and returns, result in a different per-parcel settlement structure from other courier companies, it is difficult to calculate a per-parcel social insurance cost, correct?

(Head Jeon Kyung-soo, Service Policy) Representative, I am not the person responsible for that particular area of work, so I believe it would be difficult for me to provide an answer.

(Chairperson Choi Min-hee) Just a moment. Then, please tell us who is responsible for it.

(Head Jeon Kyung-soo, Service Policy) I believe it would be appropriate for Director Noh Jae-guk to respond.

(Head Noh Jae-guk, Logistics Policy) Representative, let me answer your question.

(Rep. Yeom Tae-young) Yes, please go ahead and answer my question.

(Head Noh Jae-guk, Logistics Policy) Yes. We are currently discussing in the social dialogue ongoing at the National Assembly. However, during the social agreements reached back in 2020 and 2021, regarding employment insurance and industrial accident insurance, delivery drivers...
(Interrupted)

(Rep. Yeom Tae-young) So, ultimately, isn't it correct that you haven't implemented this because it is difficult to determine the unit cost of social insurance?

(Head Noh Jae-guk, Logistics Policy) It's not that we haven't implemented it because we failed to set the rate...

(Rep. Yeom Tae-young) No, but in the end, you didn't, did you?

(Head Noh Jae-guk, Logistics Policy) Representative, I believe I may not have fully understood what you said a moment ago. May I clarify briefly?

(Rep. Yeom Tae-young) Coupang passed on the initial costs of unlimited free shipping and returns as well as the burden of surging volumes on to the delivery drivers, and then earned massive

profits through membership fee increases. You offer a membership service and free access to other services like Coupang Play, generating huge revenue. And yet, under the pretext of free shipping, you pass the burden on to delivery drivers. How can that be justified?

(Head Noh Jae-guk, Logistics Policy) During the social dialogue in 2020 and 2021, to ensure that delivery drivers could all enroll in social insurance, at that time, an additional cost of KRW 170 was ... (Interrupted)

(Rep. Yeom Tae-young) So in the end, you are saying that, because Coupang was not a party to the social agreement reached at the time, you are not implementing it? Correct?

(Head Noh Jae-guk, Logistics Policy) Representative, that is not the intent. Many of the matters that were agreed upon at the time are still being applied by us... (Interrupted)

(Rep. Yeom Tae-young) Coupang is increasing its profits by imposing its delivery policies here and there, yet other companies in the same industry typically cover at least the delivery workers' social insurance costs. Is it really too much for Coupang to do the same?

(Head Noh Jae-guk, Logistics Policy) Representative, we are currently addressing this matter separately through the ongoing social dialogue at the National Assembly.... (Interrupted)

(Rep. Yeom Tae-young) To have a rough calculation of the social insurance cost, there are about 20,000 Quick Flex drivers, correct?

(Head Noh Jae-guk, Logistics Policy) Yes, that's correct.

(Rep. Yeom Tae-young) If about KRW 80,000 is covered on average per month per person, that's roughly KRW 20 billion per year. Does that calculation sound right?

(Head Roh Jae-guk, Logistics Policy) I would need to review the calculation formula in more detail.

(Rep. Yeom Tae-young) Coupang's revenue for the third quarter alone was KRW 12.8 trillion—the highest ever. Is it really that difficult to cover employment and industrial accident insurance premiums for the delivery workers who support Rocket Delivery, Coupang's flagship delivery service?

(Head Roh Jae-guk, Logistics Policy) As I understand it, rather than being an issue of cost...(Interrupted)

(Rep. Yeom Tae-young) Look, every time this comes up, you make excuses: "The calculation formula is different, so it doesn't apply to Coupang," or "That's not how we calculate costs." In the end, you are just giving various reasons. Last year, you raised the WOW membership fee from KRW 2,900 to KRW 4,990, and then to KRW 7,890. With 14 million paid members, I saw reports stating that this generated an additional KRW 487.2 billion in annual profit. The insurance cost is barely 5% of that amount. Is that really too much to ask?

(Head Roh Jae-guk, Logistics Policy) My understanding is that, in the process of raising the monthly membership fee to KRW 7,890, separate items such as social insurance premiums were not taken into consideration.

(Rep. Yeom Tae-young) Coupang, if it only had a forward-looking attitude to fulfill this social agreement, this is something it could implement right away. Instead of arguing that this issue cannot be approached through per-parcel cost calculations, shouldn't Coupang acknowledge that bearing the social insurance costs is, of course, something it must do just like any other delivery company and that it will secure the necessary resources and carry out no matter what- wouldn't this be the very path to immediately entering into this social agreement?

(Head Roh Jae-guk, Logistics Policy) I understand the intent of your remarks, but five years ago, the social dialogue... (Interrupted)

(Rep. Yeom Tae-young) The third round of social agreement on parcel delivery is imminent. With your current standards, how can you possibly enter into the third social agreement?

(Head Roh Jae-guk, Logistics Policy) Among the various agenda items currently under discussion, there are areas we can implement additionally and others we cannot accept due to our business structural constraints... (Interrupted)

(Rep. Yeom Tae-young) You know, whenever the executives say anything, they just make this and that excuse, claiming Coupang's situation is different, and they just keep evading responsibility. You talk as if the third social agreement is almost ready and about to happen, but in reality, all the core issues are being left out. Before the third social agreement, Coupang must fulfill both the first and second social agreements. I ask you to clearly state exactly when, how, and to what extent Coupang will implement these commitments. Are you the director? I mean, your job title?

(Head Roh Jae-guk, Logistics Policy) Yes, I am the Head of Logistics Policy.

(Rep. Yeom Tae-young) I believe this is beyond your authority to answer. Mr. Rogers, are you willing to do so?

(Coupang CEO Harold Rogers) (Original statement) We'll look at what is discussed. I believe that we are working with the social dialogue committee.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I will look into the matters you mentioned. I understand that we are discussing those matters together within the social dialogue body.

(Rep. Yeom Tae-young) Yes, you say discussions are ongoing... But we have been consistently receiving reports that the 3rd social agreement was nearly reached, but it keeps falling through. I am telling you to clearly recognize the problem now. Let me move on... The background of Coupang's growth while changing the landscape of Korea's retail map lies in consumer convenience and the full support and trust of our people. However, the behavior Coupang has shown recently is not that of a partner sharing the fruits of growth, but that of an arrogant monopolist pressuring consumers and vendors using market dominance as a weapon. Shall we look at the PPT?

(looking at the screen)

First, Coupang must immediately stop the hostage situation using the Coupang Universe as leverage. There is a troubling sense of elitism in the way the company exploits the fact that the livelihoods of hundreds of thousands of merchants and workers and delivery partners are tied to Coupang and remains defiant despite ongoing controversies and legal responsibility—it is disgusting.

The delusion that the economy will not function without you goes beyond arrogance; it is a downright disregard for the authorities and consumers.

Second, you must not hide behind the shield of being a US corporation and mock South Korean laws and business ethics. Despite the fact that over 90% of your total sales is generated in Korea, you are evading responsibility by claiming to be a foreign company when facing the blade of regulation. Acts that skirt the boundary between illegality and legal maneuvering at the expense of public inconvenience can no longer be packaged under the name of innovation and convenience. As Deputy Prime Minister Bae mentioned earlier, a subject of investigation, also a suspect, is conducting a self-investigation and presenting the results themselves and asserting their claims. That is truly a representative example of disregarding our people. Do you think Korea doesn't have a law?

Third, the Korean people are a people who choose justice even at the cost of inconvenience. Coupang may be full of such conceit that consumers will never be able to leave you because of your convenience, but the Korean people are not like that. If that's what you've been thinking, you are gravely mistaken.

The dissatisfaction and anxiety of Korean consumers have now reached a breaking point. You must keep in mind that public sentiment, once turned, will deliver the gift of Coupang's downfall faster than any Rocket Delivery. I hope this does not turn out to be a curse. I strongly urge Coupang. What is needed now is not sophisticated data analysis or expansion strategies, but a sincere apology and desperate self-reflection. There is no future for a company that ignores the people. I hope you clearly recognize that the executioner's sword wielded while intoxicated by the arrogance of monopoly will eventually turn towards yourself. I warn Chairman Kim Bom-suk and Coupang. Once this hearing is over, a National Assembly investigation is coming up soon. Even now, I hope you cast aside your arrogance and fulfill at least the minimum duty to the Republic of Korea, the Korean people, and consumers. That is all.

(Chairperson Choi Min-hee) Thank you. Chairperson Ahn Ho-young, please proceed with your questioning.

(Chairperson Ahn Ho-young) Yes, I couldn't see over there. Yesterday, while questioning regarding Coupang's HR-related systems, the LE and PIP system, I raised the issue of whether this system is effectively operating as an employee expulsion program. Since then, my office has received many text messages and phone calls. They were messages appealing against injustice. I could feel how desperate they must have been, so I read each one carefully. The content was very specific, and above all, it was heartbreaking. Therefore, I would like to convey their voices here today on their behalf. CEO Rogers, listen very carefully.

This is a story of an employee. This employee was asked to have a 1:1 meeting regarding a transfer to another camp, and he clearly stated that he did not want this due to personal reasons. However, he said that he was subsequently given an LE rating in his performance evaluation citing leadership principles.

Here's another employee's story: she goes to work every day under the pressure of not knowing when she might become an underperformer, and although she is formally a full-time employee, she works in anxiety that her employment could be shaken at any time.

There is an even more serious case. It was a report that harassment began simply because the manager personally disliked this tipster or because this person was close to a certain individual, and

that it, in the end, led to LE and PIP. And there was also a mention of suffering from depression and anxiety disorders as a result.

There were also many issues raised regarding the fairness of the performance evaluations. One tipster felt it was extremely unfair and unjust to place employees who have worked for years, new hires, and even people of higher levels than oneself on the same footing, evaluate them comparatively, and then forcibly assign grades. There was also criticism that this system is destroying the organizational culture itself. They said since the pressure of LE has become a part of daily life, managers began avoiding getting close to their team members and intentionally distancing themselves from communication. As a result, teamwork and trust are collapsing, and this, in turn, is casting a dark shadow over the company's future.

There are even more worrying reports. One reporter mentioned that in certain departments, high-level foreign managers are using LE and PIP to push out Korean employees and fill those positions with foreign personnel. Also, several cases were mentioned where employees returning from parental leave were given an LE rating immediately in the year of their return, followed by PIP, leading to voluntary resignation or recommended resignation.

This is not simply a matter of HR management. It is a matter involving very serious infringement on labor rights, such as discrimination based on nationality and discrimination against those on parental leave. This is what I think. I understand that the LE and PIP system currently operated by Coupang is effectively an expulsion program that arbitrarily brands employees as low performers to unfairly dismiss them. That's how I view this.

Minister Kim Young-hoon, it seems that this HR system, LE and PIP, currently operated by Coupang, leads to various unfair dismissals, occupational accidents, workplace harassment, and discrimination, and thus, has a substantial possibility of being in violation of labor-related laws. I believe a strict investigation and subsequent measures are necessary. What do you think?

(MOEL Minister Kim) Yes, as you said, it appears to be a low-performer expulsion system not defined by our laws. We will view it strictly and investigate.

(Chairperson Ahn Ho-young) CEO Rogers, can Coupang comprehensively review, as much as possible, this LE and PIP system, which is effectively operating as an expulsion program, and devise and report improvement plans and measures to prevent recurrence so that it complies with Korean laws?

(Coupang CEO Harold Rogers) (Original statement) I will take a look at this program. My understanding is it is designed specifically to meet the legal requirements of the Korean law.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I will look into this program. As I understand it, it was created in a way that complies with the legal requirements of Korean law.

(Chairperson Ahn Ho-young) You say that now, but you heard everything I just mentioned. Judging by that content, it is not at all a system that conforms to Korean laws. So I am telling you to look into it again and fix it so that it complies.

(Coupang CEO Harold Rogers) (Original statement) I will take a look at it and make sure that the program complies with the Korean law. That's how it is designed.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I will look into this issue. And we will

ensure this program operates in accordance with Korean law. It is designed that way.

(Chairperson Ahn Ho-young) The question of how far a company's authority over personnel matters may be permitted to extend, and how far the rights of workers must be protected, is a fundamental issue, and I will continue to examine this matter until the very end. Let me ask you one more question. CEO Rogers, I understand that in 2021, Coupang, specifically Coupang CFS, ran the UPH or Units Per Hour system and then abolished it. Are you aware of this?

(Coupang CEO Harold Rogers) (Original statement) Yeah, I'm aware that this was reviewed by the government. 2021 sounds right.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I understand that this was reviewed by the government in 2021.

(Chairperson Ahn Ho-young) No, Coupang decided to abolish it, issued a press release saying you would abolish it. Do you not know?

(Coupang CEO Harold Rogers) (Original statement) I don't remember that, but my understanding is that we revoked, stopped the UPH program...(Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not recall that. As I recall, we abolished that program... (Interrupted)

(Chairperson Ahn Ho-young) It seems you are not fully aware of this. Then, is Lee Young-mok, VP of Communication at Coupang, here? Could you pause...

(VP Lee Young-mok) Yes, I am here.

(Chairperson Ahn Ho-young) Please put up the PPT. Looking at the Coupang press release from February 23, 2021, it states that Coupang had never publicly called out any individual or imposed any disadvantages in hiring or contract renewal for having a low UPH, and that individual UPH metrics have been removed from all systems. Is that correct?

(VP Lee Young-mok) I was not in charge of media relations at that time, but I do remember the press release being distributed.

(Chairperson Ahn Ho-young) Then it is a fact. Then, is it true that this system is in practice completely not being used in Coupang fulfillment centers, including any hourly performance metrics similar to this UPH system?

(VP Lee Young-mok) I am not well aware of that part.

(Chairperson Ahn Ho-young) CEO Rogers, are you currently using a system similar to UPH, which seems to be called LPH, or are you not using it?

(Coupang CEO Harold Rogers) (Original statement) I would have to look into the details, but my understanding is that we stopped using UPH.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I would have to look into the details. I understand that we do not use UPH.

(Chairperson Ahn Ho-young) You seem to think you need to look into it. You said you understand it is not in use. Well, listen then.

Please play PPT number 2. In this content, on June 11, 2023, a request document was submitted to the headquarters from the Coupang Hobeop Center asking to classify workers with low UPH figures as lower priority for hiring. Are you aware of this? Looking at the content now...

(Coupang CEO Harold Rogers) (Original statement) I don't believe this was submitted to Coupang Corp.

Interpretation not provided

(Chairperson Ahn Ho-young) It is explicitly stated that "the employee picks less than 30 items on average, so we cannot receive any help (from the employee) on the site; we request lower priority hiring for the said employee." Looking at this, it shows that Coupang is still operating this system unchanged. And the next PPT. In the written response Coupang CFS submitted to the National Labor Relations Commission in 2023 regarding an application for relief from unfair dismissal, there is an implication that you are operating such a system. Please put up the fourth PPT. It is a recording. Please play it.

(Recording played - Former HR Team Member) Is it correct that the total sum (UPH) of those workers is reflected as a criterion for the managers' performance bonuses?

(Recording played - Former Company Official) That is correct. We are using that as the primary criterion. After that, we look internally at the processed volume and the duration of that processing, and then we evaluate performance by checking how much our recruiters – you know this – how consistently they maintained around the 90 percent level.

(Chairperson Ahn Ho-young) CEO Rogers, looking at this content now, it is being revealed that you are actually evaluating workers' performance even during the hiring process, and also evaluating managers using this system. Looking at this, we can see that Coupang continues to utilize this kind of system to this day, even after stating you would abolish it.

(Chairperson Ahn Ho-young) Please show the fifth slide. This year alone, four workers have died at Coupang fulfillment centers—in Anseong, Yongin, Hwaseong, and Gwangju in Gyeonggi Province. And in November, two workers died consecutively. I believe that the hourly performance pressure and the excessive volume demands are not unrelated to these deaths. Can you promise, as Coupang previously committed, that the UPH system and the LPH system will be completely abolished?

(Coupang CEO Harold Rogers) (Original statement) I will take a look at it. I'm not aware of the details.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I will review this. I am not familiar with the details.

(Chairperson Ahn Ho-young) Minister, we are working hard to reduce industrial accidents and related issues. Would you please check whether these systems are related to industrial accidents or violate any labor laws or regulations, and take measures?

(MOEL Minister Kim) Yes, we will. Recent research also shows these systems significantly contribute to overwork fatalities. May I comment briefly?

(Chairperson Ahn Ho-young) Yes.

(MOEL Minister Kim) If the revelations about Chairman Kim Bom-suk are true, they are extremely shocking. We can get a glimpse into how he treats his workers and what kind of personnel-management philosophy he follows. The decisive momentum behind the question you raised lies precisely in what Chairman Kim Bom-suk said, “Why would he work hard? They are paid by hour, not by performance.” I believe that this remark itself contains the complete answer to your question. Given that the CEO at the top is constantly pushing for management practices grounded in performance-based evaluation on the basis of measurable performance metrics, in one way or another, I strongly suspect that they said they would abolish it, formally, but the system is in fact still functioning. That’s all.

(Chairperson Ahn Ho-young) (Mic off) I won’t do next, so will close this in two minutes. I won’t do follow-up questioning.

(Chairperson Choi Min-hee) Since you were not here this morning, let me give you three more minutes...

(Chairperson Ahn Ho-young) Let me proceed.

CEO Rogers, let me ask you regarding severance pay. There are allegations that the company is not paying severance pay. CEO Rogers, severance pay is not a goodwill gesture by the company—its nature is deferred wages, guaranteed by law as compensation for long-term service. You acknowledge that, correct?

(Coupang CEO Harold Rogers) (Original statement) My understanding is that that’s part of the law which we comply with.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, I understand that it is required by law, and we comply.

(Chairperson Ahn Ho-young) Does Coupang comply? Coupang claims it does, but the reality is different. Are you aware that Coupang is now being investigated by the prosecution on suspicion of changing its rules of employment as a way not to properly pay severance pay, that is, by applying the so-called ‘severance-pay reset’ provision so that severance pay would not be paid?

(Coupang CEO Harold Rogers) (Original statement) My understanding is that this is an issue of daily workers and yes it’s currently the subject of the prosecutorial investigation.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) To my knowledge, this issue concerns daily temporary workers, and I am aware it is currently under prosecutorial investigation.

(Chairperson Ahn Ho-young) Former CEO Park Dae-jun, during the last National Assembly audit, you admitted this rule was wrong and promised to abolish the severance reset clause and pay all severance payments in arrears. Correct?

(Former Coupang CEO Park Dae-jun) Yes, that’s correct.

(Chairperson Ahn Ho-young) CEO Rogers, shouldn’t Coupang honor that promise made by your predecessor?

(Coupang CEO Harold Rogers) (Original statement) Yes, I agree.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, I agree.

(Chairperson Ahn Ho-young) One more thing. Coupang requires resigning workers to submit a resignation letter, and the content of that letter includes serious clauses where workers waive their rights to severance pay or to claiming delay damages. Please show PPT slide #1.

This is an actual resignation form used by Coupang CFS for its workers. In the section on Consent to Settlement of Monetary Claims, it states: "If an IRP account is not provided, severance pay cannot be paid." "I agree that no delay damages shall accrue even if the payment of my severance pay is delayed due to my failure to provide an IRP account, and I will raise no objections of any kind, whether civil, criminal, or administrative." Minister Kim Young-hoon, is it legally permissible to include such clauses in a resignation form, and to state that severance pay cannot be paid or delay damages will not accrue?

(MOEL Minister Kim) No, payment of severance pay cannot be restricted simply because an IRP account was not provided. There is no such provision in the law.

(Chairperson Ahn Ho-young) CEO Rogers, will you delete these improper and unlawful phrases from the resignation form?

(Coupang CEO Harold Rogers) (Original statement) You know that I can't read this. This is being shown to me in Korean and I don't know what this document is. I'm happy to look into this though.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) This document is in Korean, so I cannot read it. If you provide it to me, I will review it.

(Chairperson Ahn Ho-young) CEO Rogers, the Minister of Employment and Labor just stated that these phrases have no legal basis under the Korean law. If they go against the Korean law, you agree they should be removed, do you not?

(Coupang CEO Harold Rogers) (Original statement) My understanding is that all of our contracts have been reviewed multiple times by MOEL over the last couple of years. My understanding is that they abide by the law. If they don't, we'll have that discussion with MOEL. We'll make sure that we abide by the law.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) To my knowledge, all our contracts have been reviewed multiple times by the Ministry of Employment and Labor over the past few years. We understand them to be compliant with the law. If that is not the case, we will discuss with the relevant department and make changes to ensure compliance.

(Chairperson Ahn Ho-young) Yes, please work with the relevant department and revise the form to comply with Korean law.

(Coupang CEO Harold Rogers) (Original statement) I believe all of our contracts are in line with the law and have been reviewed by MOEL, and I believe MOLIT as well, and we'll continue to review.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) To my knowledge, all our contracts comply with the law. They have been reviewed by the Ministry of Employment and Labor, and I also understand they were reviewed by the Ministry of Land, Infrastructure and Transport. We will continue to ensure compliance.

(Chairperson Ahn Ho-young) MOLIT—has your ministry ever reviewed this resignation form or confirmed its legality in consultation with Coupang?

(MOLIT Second Vice Minister Hong) I'm afraid resignation forms do not concern our ministry.

(Chairperson Ahn Ho-young) So those are irrelevant. Minister Kim Young-hoon, you heard CEO Rogers just now—what's your view?

(MOEL Minister Kim) There is no provision allowing severance pay to be restricted simply because, for instance, an IRP account was not provided. I repeat: no such regulation exists.

(Chairperson Ahn Ho-young) So the Ministry of Employment and Labor has never approved this resignation form or confirmed its legality, correct?

(MOEL Minister Kim) As for whether MOEL consulted on this resignation form, I do not currently know the facts, but I will check immediately after this session.

(Chairperson Ahn Ho-young) CEO Rogers, you could face perjury charges for this.

(Coupang CEO Harold Rogers) (Original statement) I said I don't know what this document is as you've shown me in Korean and have not translated it for me. What I said clearly is my understanding is many of our contracts are reviewed by MOEL. Others are reviewed by MOLIT. We'll review them and make sure that they abide by the law.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have stated that I cannot understand the document because it is in Korean and not translated. However, to my knowledge, all our contracts have been reviewed by MOEL and MOLIT. We ensure these forms comply with the law.

(Chairperson Ahn Ho-young) (Mic off) You will probably be held accountable for perjury.

(Chairperson Choi Min-hee) Please confirm with MOEL. Rep. Son Myung-soo, please proceed with your inquiry.

(Rep. Son Myung-soo) Yes, please put up the PPT. Put up the PPT. Next. This is a photo of a Coupang fulfillment center.

(Looking at the screen) That yellow steel structure is what is known as a "mezzanine racking system." It is a multi-story structure installed on floors with high ceilings in warehouses or factories to increase storage capacity by adding floors. Under the Building Act, this constitutes an expansion. It requires a permit. Next.

However, there is an exception where a permit is not required. In the case of logistics warehouses, if it is used exclusively as storage equipment and for storage purposes, it is not included in the floor area. In other words, no permit is required. Yet, look at this other photo of the same fulfillment center. Is the Vice Minister of MOLIT here? Look at this photo. There are desks and chairs here; does this look like it's being used for storage or for office work?

(MOLIT Second Vice Minister Hong) Yes, based on the photo, it appears to be used for office purposes.

(Rep. Son Myung-soo) It looks like an office, doesn't it? You can see PCs, copiers, desks, paper cups, and printers, right? Next. I submitted an inquiry to MOLIT. I asked whether a mezzanine rack must be included in the floor area and require a separate permit if it is used as a workplace on an ongoing basis. I received a reply. It stated that while mezzanine racks are acceptable if used solely for cargo storage and distribution and processing, they cannot be classified as such if used for other purposes,

such as a work floor permanently occupied by workers. Therefore, a separate permit must be obtained, correct?

(MOLIT Second Vice Minister Hong) Yes, that is correct.

(Rep. Son Myung-soo) Good. You may step back for a moment. This is a photo of the fire at the Deokpyeong Fulfillment Center. This is the Coupang fulfillment center fire incident that occurred on June 17, 2021. At that time, there was one fatality and there were injuries. The building and the stored goods were completely incinerated. And next. Coupang promoted that they were forming a dedicated fire audit team, claiming to be the first among retail companies to do so. Next, please. However, these are the current construction standards regarding corridor width. For schools like kindergartens or elementary schools, the corridor must be at least 2.4m wide if there are classrooms on both sides. For others, at least 1.8m. At the very bottom, if the total floor area is 200 square meters or more, the corridor must be at least 1.5m wide. In other cases, it must be at least 1.2m.

Now let's look at the next photo. This is a photo of that corridor. Look. If two people try to pass each other, their shoulders would bump. In some cases, it is only 1 meter wide. They are currently failing to comply with the law like this. As you have seen in our hearing yesterday and today, it seems Coupang has no interest in legal compliance whatsoever. It seems they only care about making money by any means—predatorily exploiting small businesses and the labor of their workers. All their attention is on that, apparently. Next photo, please. They have even built mezzanine levels in the basement floors. This appears to be illegal.

Next. This is the relevant documentation as of April 1st of this year. According to the building register, it is listed as a four-story building from basement level 1 to the 4th floor. However, in actual use, there is one basement level, and there is another mezzanine level above it. It is currently being used as cold storage. This is a floor area not included in the building register. Therefore, we need to verify if there was a proper permit process.

Next. Please show the previous slide again. Vice Minister of MOLIT, please remember this clearly. I will ask you about this later. Next photo. This is another photo of the same fulfillment center, taken from above. From the main entrance, the fulfillment center is located all the way back, and there is a cafeteria near the entrance. To get to the cafeteria from the workplace here, workers have to move along the path marked by the red line. Let's enlarge that photo. Next. This is what it looks like there. The pedestrian path is set up like this. The fences aren't fixed to the ground, and some of them fell over; it doesn't look safe at all. The path is very narrow, and in winter, there is a very high possibility of slipping accidents and significant safety risks.

Next. Coupang seems to be seriously lacking in safety awareness. Show the next slide. So, Vice Minister, I showed you earlier: the issue of verifying unauthorized extensions at the Konjiam 1 Center. The basement mezzanine floor. The basement level. And we need to check the corridors and such. Also, the racks I showed at the very beginning—the mezzanine racks. The exemption only applies if used for logistics purposes, but if they are used as office space, it is illegal.

(MOLIT Second Vice Minister Hong) Yes, that is correct.

(Rep. Son Myung-soo) Please conduct an inspection on this and take strict measures.

(MOLIT Second Vice Minister Hong) Yes, I will visit the site along with the relevant mayor, county governor, and staff members and....

(Rep. Son Myung-soo) Correct. It's the local governments that give these permits. Since the Building Act falls under the jurisdiction of MOLIT, please consult with the relevant city, confirm thoroughly, and take immediate action.

(MOLIT Second Vice Minister Hong) Yes, I will.

(Rep. Son Myung-soo) And our Minister of MOEL, you saw it earlier—the passageway where the fence has mostly collapsed. This seems to be a violation of Article 38 of Occupational Safety and Health Act.

(MOEL Minister Kim) It appears that there is a strong possibility of such a violation.

(Rep. Son Myung-soo) Yes, please check and take immediate action.

(MOEL Minister Kim) I will do so.

(Rep. Son Myung-soo) Next slide, please. This is for the Chairperson of the Fair Trade Commission, who has received many questions today. Have you ever heard of “hijack advertising”?

(KFTC Chairperson Ju) Yes.

(Rep. Son Myung-soo) Coupang is prevailing in this area, too. Through a system called Coupang Partners, there are about 40,000 to 60,000 advertising URLs—this is based on data from June to August this year. There are various examples: inserting invisible links, automatic redirection, forcing users to click “see more,” and floating ads, various forms of hijack advertising being used.

Next. Why is this issue particularly severe with Coupang? Because Coupang Partners has no entry barriers. Anyone can join, and as long as the ad is displayed, they get paid. That cookie system—just a minimal interaction generates revenue. Then there's a multi-level advertising structure. At the end layer, malicious scripts are embedded, and once the ad runs, Coupang says they don't know anything about it because it was done through a multi-level system. This is the current situation.

Next. This has become a problem. When the KFTC took issues for violation of the E-commerce Act, Coupang instead sued these people. This is a classic case of the guilty party blaming the innocent. They filed criminal complaints against about 10 partners for obstruction of business.

Next. User complaints have surged for years, and, in fact, this issue has been repeatedly pointed out. But when an official investigation into violations of the Telecommunications Business Act began, Coupang suddenly started framing itself as the victim and filed counter-complaints. What are we supposed to do in this situation?

(KFTC Chairperson Ju) I will examine this case thoroughly. Currently, I...

(Rep. Son Myung-soo) This too...

(KFTC Chairperson Ju) As I don't have a full understanding of this issue yet....

(Rep. Son Myung-soo) As we've seen in this hearing yesterday and today, Coupang exploits small merchants using its dominant position, engages in predatory practices, disregards workers' health and safety, and ignores the first and second social agreements that all parcel delivery

companies comply with. These agreements are simple: don't shift sorting responsibilities. And the company should cover social insurance premiums. All other delivery companies are following this. Coupang is the only one that keeps making all kinds of excuses and is not doing this right now. And even with this hijack advertising, Coupang is using them in this way solely to strengthen their monopolistic position, engaging in various forms of tie-in sale and employing every possible means. This is why the Korean government must enforce the law strictly. Please look into this.

(KFTC Chairperson Ju) Yes, I will make sure to look into it.

(Rep. Son Myung-soo) That's all.

(Chairperson Choi Min-hee) KMCC Chairperson, isn't this forced-redirect ad under your committee's purview?

(KMCC Chairperson Kim) Yes, that's correct. I was about to raise my hand to speak.

(Rep. Son Myung-soo) (Mic off) Were you?

(Chairperson Choi Min-hee) Go ahead first, then Deputy Prime Minister Bae will have a turn.

(KMCC Chairperson Kim) Regarding Coupang's forced-redirect ad, I was personally affected, and since this matter falls under our jurisdiction, we conducted a fact-finding investigation and recently completed the fact-finding stage. Based on that, we are currently reviewing its legality, and once the committee is formed, we will be able to make a formal determination. We take this matter very seriously and will prepare thoroughly.

(Chairperson Choi Min-hee) Deputy Prime Minister Bae has something to say. Please go ahead.

(Deputy Prime Minister Bae) Thank you. During the Q&A with Rep. Oh Gi-hyoung, I stated that there were 33,000 victims in the personal data leak, but I believe this is important and I would like to correct that to 33 million.

(Chairperson Choi Min-hee) Noted. We will recess for 10 minutes and reconvene afterward. The meeting is adjourned for now.

(Chairperson Choi Min-hee) We will resume the meeting. Rep. Park Hong-bae, please proceed with your questions.

(Rep. Park Hong-bae) Yes, Minister Kim Young-hoon of the Ministry of Employment and Labor, I have questions for you. In February this year, there was a case where labor inspectors from the Gangnam District Office received meals from a former public servant who had been employed at Coupang, and they were punished under the Improper Solicitation and Graft Act. Correct?

(MOEL Minister Kim) Yes.

(Rep. Park Hong-bae) Has the disciplinary process been completed?

(MOEL Minister Kim) The disciplinary procedure... yes, it has been completed.

(Rep. Park Hong-bae) During the National Assembly audit, I pointed out that despite repeated labor inspections of Coupang, proper oversight is not achieved, penalties are rare, and improvements are

lacking because of a management vacuum of the Ministry of Employment and Labor regarding its retired officials.

(MOEL Minister Kim) That's correct.

(Rep. Park Hong-bae) At that time, I asked how many former ministry officials had moved to Coupang, and you were unable to provide that information.

(MOEL Minister Kim) Since then, we have investigated... (Interrupted)

(Rep. Park Hong-bae) You have that information now, correct?

(MOEL Minister Kim) It has been determined to be nine people.

(Rep. Park Hong-bae) The reason is that among special judicial police officers, labor inspectors are the only ones not subject to the post public service employment review under the Public Service Ethics Act. So, during the National Assembly audit, you said you would push for an amendment to the enforcement decree to include labor inspectors in the employment review. Is that underway?

(MOEL Minister Kim) We have been discussing this with labor inspectors and gathering opinions. As you know, there is freedom of choosing one's occupation, but as you said, given the specific nature of their roles, lower-level officials should be included as well. We have a firm commitment to this.

(Rep. Park Hong-bae) By when will this be completed?

(MOEL Minister Kim) We plan to push for the amendment to the enforcement decree within the first quarter of next year.

(Rep. Park Hong-bae) Please make sure it is completed.

(MOEL Minister Kim) Yes, we plan to proceed.

(Rep. Park Hong-bae) Last night, MBC News reported that, regarding the Standing Special Prosecutor's investigation, there was an attempt within MOEL to block the disclosure of an inadequate review.
Let's watch the video briefly.

(News clip played – MBC News anchor) The Standing Special Prosecutor's Team for Coupang summoned a labor inspector from the Seoul Eastern District Office of the Ministry of Employment and Labor as a reference witness. However, it has been confirmed that the Special Prosecutor detected indications that MOEL had sought to investigate these allegations directly itself, but there had been internal attempts to obstruct that effort, and an investigation is underway now.

(News clip played - Kim, then-head of the Bucheon District Office, Ministry of Employment and Labor) Don't do that. As I told you earlier, secure those materials and review them first based on the materials. The Seoul Eastern District Office inspector was summoned, a summons was issued? There will be trouble. The point is, why is your office (Bucheon) acting in such a way and creating this disturbance? I am saying there is no need to go that far. You can just obtain voluntary submissions.

(News clip played - Kim, then-labor inspector at the Bucheon District Office): We cannot obtain the entire case record through voluntary submission, and that is why I am telling you this.

(Rep. Park Hong-bae) This is a conversation I simply cannot understand. Why would it cause trouble? As you know, Coupang applied to MOEL's Eastern District Office to make disadvantageous changes to its Rules of Employment, aiming to avoid paying severance pay to daily workers. The Eastern District Office approved it. Later, when a complaint was filed again in connection with this matter, the Bucheon District Office of MOEL sought to do a search and seizure during their internal investigation on this issue, but the head of Bucheon District Office said to the inspector that why he creates disturbance and it'll cause trouble. Then, the head instructed the inspector not to conduct the search and seizure and instead obtain the documents through voluntary submission. Minister of MOEL, what do you think? Was that appropriate?

(MOEL Minister Kim Young-hoon) I believe that was a highly inappropriate remark. After reading the media report and receiving a briefing that the Special Prosecutor's investigation would be underway, I immediately suspended the person from duty.

(Rep. Park Hong-bae) You removed him from the duty?

(MOEL Minister Kim Young-hoon) Yes.

(Rep. Park Hong-bae) The media reports say he hasn't been removed yet, as far as I can tell.

(MOEL Minister Kim Young-hoon) Today... he was removed from the duty before I came to the hearing.

(Rep. Park Hong-bae) You handled it before coming here?

(MOEL Minister Kim Young-hoon) Yes.

(Rep. Park Hong-bae) This is clearly an act of exerting improper influence over an investigation and an abuse of authority. It is baffling that a head of MOEL's district office would act in this manner. To summarize once again the matter involving severance pay and the disadvantageous change to the rules of employment: Coupang created period-divided contracts as a workaround to avoid paying severance pay to its daily workers. This was in 2023. It then carried out a disadvantageous change to the rules of employment. And for this, it submitted an application to the Seoul Eastern District Office of MOEL, which approved the change to the rules of employment. The Bucheon District Office attempted to investigate this, but the head of the district office - within the Ministry - told them to cover it up, saying that if the Seoul Eastern District Office were exposed in this way, "everyone would be done for." Even so, the case was still referred to the prosecution with a recommendation for indictment. And within the prosecution, the case was handled in April of this year, and a non-indictment decision was made. Of course, as was confirmed during last year's National Assembly audit, there was an incident in which Eom -indictment decision was made. Of course, as was confirmed during last year's National Assembly audit, there was an incident in which Eom Heejun-jun, the head of the Bucheon District Office, exerted improper influence on Chief Prosecutor Moon Jiseok-seok. That is why the Standing Special Prosecutor is currently operating.

To put it in a single sentence: this is a case in which Coupang attempted to deprive tens of thousands of workers of their severance pay, and MOEL and the prosecution provided assistance in that effort. And it nearly succeeded. During the process, because the search and seizure was blocked under the instruction of the head of the Bucheon District Office, many adverse consequences arose. Although

the case was referred with a recommendation for indictment, had a proper search and seizure been conducted and the approval by the Seoul Eastern District Office been invalidated from the outset, the case would likely have ended there. And the internal pressure incidents within the prosecution would not have occurred. Coupang's workers would have been able to receive their unpaid severance pay much earlier. And the Standing Special Prosecutor would not have been created. But because the investigation was smothered inside MOEL, Coupang, during that time, enjoyed the benefit of reduced labor costs and was on the verge of complete victory. And, in the end, this quiet obstruction of an investigation by an insider within the Ministry nearly resulted in a benefit to the company in the form of cost savings amounting to tens of billions of won. I believe it amounts to a public official, who is paid with taxpayers' money, carrying out the role of a "cost-cutting department" for a company. Minister, what is your view?

(MOEL Minister Kim) Yes, I fully agree.

And, what I said this morning that a current MOEL employee should expect total ruin if they made contact with a former ministry official now handling government relations at Coupang was based on instructions I issued during the Gangnam case. I am saying this again because, in some media reports, it was said that I uttered the word "ruined" as a curse directed at that person who moved to Coupang. That is not true. Rather, in order to make it clear that such lobbying will have no effect going forward, I emphasize once again that our incumbent employees must not have any occasion to meet with former Ministry officials who are now working for Coupang in so-called government relations roles.

(Rep. Park Hong-bae) The greatest risk to Coupang's business model comes from MOEL, which holds labor inspection authority. And what we've confirmed now suggests that officials from two district offices under the ministry may have been persuaded, influenced or lobbied.

I believe there is a strong possibility that the issue does not end with just these two district offices. I fear this may be just the tip of the iceberg. Minister, you need to think seriously about how to identify Coupang's collaborators or enablers within the Ministry and how to prevent this from happening again. And I believe the PIPC, the NTS, the KMCC, the FSC, and the KFTC—all represented here—should share the same concern. The National Assembly is no exception. We, Democratic Party lawmakers, must also ensure that our aides and staff never engage in private contacts like these, except for legitimate work-related interactions aimed at correcting Coupang's wrongful practices.

Yesterday, Mr. Rogers kept saying that all responsibility for Coupang lies with him, that he takes full responsibility. I'd like to challenge that a bit. Please pull up the presentation deck.

This is Coupang's ESG report. It says, "Nothing is more important than employee safety."

But alongside that, it claims to manage safety-related risks through work environment assessments. In reality, I believe they're only managing Kim Bom-suk's safety.

Coupang emphasizes EHS — Environment, Health, and Safety and even boasts about its efforts. Here is an internal crisis response guideline from the EHS department ... from CFS. This guideline includes highly inappropriate instructions, such as having two or more response team members stay by the bereaved family at the funeral home to ensure no false information is conveyed to the bereaved family. But what's even more concerning is the section below. The section labelled as Response to the Ministry of Employment and Labor says: Through on-site response and networking, work to prevent a stop-work order from being issued. If a hazard occurs and another worker is at risk of an industrial accident, a stop-work order should be issued. Yet this guideline instructs them to use networking to prevent that order. Minister, isn't that extremely wrong?

(MOEL Minister Kim) It's absolutely wrong.

(Rep. Park Hong-bae) Bom Kim, as we have seen several times—next slide, please—as shown in these messenger messages, he was effectively the employer of Coupang, at least a co-employer. Committee members have repeatedly questioned Kim Bom-suk’s responsibility for Coupang Corp., yet Witness Rogers kept giving irrelevant answers, repeatedly saying only that he is the CEO of Coupang Korea. He even gave detailed (Mic off) instructions on how to respond to the National Assembly audit.

(Mic off) ... Nevertheless, the witness insisted to the end that he alone bore responsibility. (Mic on) Let me emphasize just one last slide. What I am saying is, Minister of Employment and Labor, as you can see, Kim Bom-suk has been directing everything—from labor management of all Coupang workers in Korea to responses to the National Assembly—so he is in fact the real employer, the actual employer. I believe you would agree with this, correct?

(Minister Kim Young-hoon) I agree.

(Rep. Park Hong-bae) Also, in the annual report submitted to the U.S. SEC, the final signatory states, “I, Bom Kim, certify that,” and that he has reviewed the entire annual report. The review report states that he is fully responsible for all business activities of Coupang Korea, including matters related to the Serious Accidents Punishment Act as well as information leaks. Financial Services Commission Chairman? Vice chairman? Are you not present? Yes, formally and substantively, Bom Kim is the person in charge. I want to make it clear (Mic off) that not just Harold Rogers but also Kim Bom-suk must be held responsible for this entire situation. That is all.

(Chairperson Choi Min-hee) Rep. Noh Jong-myun, please proceed with your questions.

(Rep. Noh Jong-myun) As you know, Korea was late in undergoing modernization, which led to its colonization by neighboring Japan. Its history of democracy is also highly compressed and relatively brief. Moreover, even after finally achieving liberation, the nation and its people endured the profound pain of a devastating conflict we refer to as the tragedy of a fratricidal war. In overcoming colonial rule and recovering from the aftermath of the war, many Koreans perceive the United States stood alongside with us. That’s why we call the U.S. our blood ally. We modeled our economic growth on the United States as we overcame the war and achieved development, and we also modeled our democratic progress on the evolution of American democracy, achieving rapid and remarkable democratic advancement. So, most Koreans respect the United States and treat Americans favorably.

However, in the face of this Coupang scandal, Coupang and Mr. Rogers here today — as well as Kim Bom-suk, who was born in Korea, made a fortune through a business in Korea, yet insists on being an American. Mr. Rogers, in particular, although Koreans are watching this live, has ignored the rules of the National Assembly, engaged in repeating same phrases, stalling tactics, excessive defense of Kim Bom-suk, and even outright denial of clear facts and evidence, which demonstrates an attitude that I consider insulting to Korea and Koreans.

And now, Coupang has gone so far as to drag U.S. politicians into lobbying, trying to spin this issue into a Korea-U.S. trade dispute. In my view, that is nothing short of a deliberate ploy. The essence of this matter lies in Coupang’s low-grade business practices and its unethical corporate culture. To safeguard the Korea-U.S. relations as well, punishment for this Coupang must be swift and thorough. I state this here in the presence of the responsible officials from relevant ministries and agencies.

Now, I will proceed with my questions. I don't know if Mr. Rogers will admit it, but "instruction" and "cooperation" or "consultation" are clearly different words and expressions. As this became an issue in connection with Coupang's self-conducted investigation, Mr. Rogers repeatedly said yesterday that they followed government instructions. But for some reason, today he keeps using the word "cooperation." And VP Lee Jae-gul used terms like "discussion" and "understanding." Another point I must raise: Does Coupang truly trust the Chinese individual—the former Coupang employee—who leaked this information, whom we call the suspect or perpetrator? Right now, Coupang is relying on this person's statements as if he revealed the whole truth, and claims with an arrogant attitude that their judgment and conclusions are correct, as if everyone should believe their internal investigation. But I must ask: Does Coupang really trust this criminal? His statements are merely subject to verification.

Furthermore, we see Coupang as the responsible party for this unlawful situation, so Coupang itself is also subject to verification. How does the party subject to verification and under investigation have any authority to make independent announcements and conduct its own investigation? Coupang is merely a party under suspicion that should cooperate with the investigation.

You say that because you announced something, the Korean government should also announce it? Why don't we announce this successful case? The Korean government is not Coupang's law firm. Wake up. Coupang contacted the perpetrator, investigated, collected the laptop, extracted forensic images, and judging by your written announcement, it seems Coupang even conducted the forensic analysis itself.

Yesterday, you repeatedly, repeatedly, repeatedly said you received government instructions at every stage of this process. I'll ask Mr. Rogers a simple question. Don't ramble—this will be multiple choice. Pick one of the five options I give you. For Coupang's independent announcement on December 25, was there any government instruction?

1: There was an instruction. 2: Not an instruction, but a suggestion. 3: Coupang proposed it and the government agreed. 4: The government proposed it and Coupang followed, followed after consultation. 5: Coupang acted independently. Which number? Just say the number.

(Coupang CEO Harold Rogers) (Original statement) Let me make one clarification. I think there's been some misunderstanding. My understanding this whole time is that the national agency allowed us to make a forensic copy of the hard drives that we retrieved at their instruction. There may have been some misunderstanding based on some of the questions that I have received. That's my understanding, and that's my statement. To your point, we received instruction from this national agency. We've said that consistently. It was a cooperative investigation, and I think it was very successful. I'm not sure why we're not talking about it, why we're not sharing this information with the Korean people.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Let me clarify something. I believe there's been a misunderstanding. As I understand it, the government agency allowed us to create a forensic image of the hard drive. There seems to have been some misunderstanding caused by certain questions, but my understanding is that the agency permitted us to make a forensic copy. According to what you said, I, we were acting under instructions from a government agency. I've repeatedly stated this. This was an investigation based on collaboration, and I believe it was successful. I don't understand why we're not talking about this success — and why this information isn't being shared with the Korean public.

(Rep. Noh Jong-myun) I cannot understand the very idea that instructions and collaboration can coexist. Anyway, the announcement on December 25 — that was based on cooperation with or

instructions from the government, correct? I'm asking it separately. I don't want general answers. Just answer the question as asked. It's our job to piece the puzzle together. Mr. Rogers, you're here as a witness. Your only obligation is to answer the questions asked. No, don't answer. Vice President Lee Jae-gul, please come forward.

From Chairperson Choi Min-hee's earlier questions and your responses, it appears that you were the point of contact with NIS staff — whether remotely or in person, I don't know — but you were the liaison, correct?

(VP Lee Jae-gul) I have met NIS (National Intelligence Service) personnel in Korea.

(Rep. Noh Jong-myun) Were there any other Coupang executives than you? I'm asking if there were other executives who had contact with NIS personnel.

(VP Lee Jae-gul) Yes, there were.

(Rep. Noh Jong-myun) You understand that in Korean, even a slightest difference like 'a' and 'eo' can change the entire meaning. You know the difference between instructions, cooperation, discussions, and proposals. I trust you understand these distinctions. So, within Coupang, there were several, multiple people who had contact with the NIS. How many NIS officers were involved? Just tell us what you know.

(VP Lee Jae-gul) I'm not sure if I can go into detail about discussions with the NIS, but there were three officers.

(Rep. Noh Jong-myun) Three. You also said there was an official letter, correct?

(Lee Jae-gul, Coupang VP of Legal) Yes, there is.

(Rep. Noh Jong-myun) Was it a single letter or multiple?

(VP Lee Jae-gul) One official letter.

(Rep. Noh Jong-myun) Which was received before December 2, for the first time. The content was something like you have an obligation to comply with these requirements, correct?

(VP Lee Jae-gul) Yes, after receiving that, we asked them, and then they... regarding what they had requested us... (Interrupted)

(Rep. Noh Jong-myun) You don't need to say anything beyond that. We'll piece the puzzle together ourselves, please.

(VP Lee Jae-gul) (Audio overlap) (Interrupted) ... they explained that we had a legal obligation to cooperate.

(Rep. Noh Jong-myun) (Audio overlap) I said we'll piece the puzzle together ourselves. You can issue your own press releases or hold your own press conferences. Do it then. Why do you keep answering questions that weren't even asked?

(VP Lee Jae-gul) I was answering what you asked.

(Rep. Noh Jong-myun) I asked how many NIS officers you contacted, and you said three. We asked if you received an official letter, and you said yes. What more is there to say? Was it an instruction to meet the suspect? Was it a suggestion like “what if you meet the suspect”? Or was it “find out the suspect’s whereabouts”? Or “maintain a communication channel”? Which was it?

(VP Lee Jae-gul) They kept asking me for the suspect’s location, so we provided that information. Then there were more than three requests to contact the suspect. So, we acted accordingly... (Audio overlap) (Interrupted)

(Rep. Noh Jong-myun) (Audio overlap) Was it like “why don’t you try contacting the suspect,” or “contact the suspect”? or was it like “how about contacting the suspect?” or “contact the suspect”?

(VP Lee Jae-gul) They said that, in their assessment, now is the best timing, so it would be good to make contact now. Contact... (Audio overlap) (Inaudible) (Interrupted)

(Rep. Noh Jong-myun) (Audio overlap) So it was a recommendation, a suggestion?

(VP Lee Jae-gul) And they provided specific descriptions on how to make contact and what message to send.

(Rep. Noh Jong-myun) Did that mean to meet the suspect in person and conduct an investigation?

(VP Lee Jae-gul) Later, going abroad to meet the suspect and bring back information was suggested by the NIS. We... (Audio overlap) (Interrupted)

(Rep. Noh Jong-myun) (Audio overlap) They also suggested you meet the suspect.

(VP Lee Jae-gul) We have to meet the person in order to retrieve it.

(Rep. Noh Jong-myun) Are you saying the suggestion to retrieve it came first from the NIS?

(VP Lee Jae-gul) The NIS strongly requested that, since they themselves could not directly meet the suspect to retrieve it, a Coupang employee must go to China, meet the suspect, and receive it.

(Rep. Noh Jong-myun) So the NIS made that request.

(VP Lee Jae-gul) Yes.

(Rep. Noh Jong-myun) To bring back the laptop. When did you learn that the laptop had fallen into the water?

(VP Lee Jae-gul) We learned that when the suspect explained that he had thrown the laptop into the river, and we immediately shared that information with the NIS.

(Rep. Noh Jong-myun) So did the NIS then tell you to retrieve it? By sending in divers?

(VP Lee Jae-gul) We, in China at the river... (Audio overlap) (Interrupted)

(Rep. Noh Jong-myun) Did the NIS tell you to send in divers to retrieve it? Or to leave it?

(VP Lee Jae-gul) We hesitated because we didn't know whether entering the river in China was legal or illegal. However, the NIS strongly told us to attempt to retrieve it by going into the river.

(Rep. Noh Jong-myun) You know who the NIS officer in question is, right? I'm asking because this could become subject to investigation.

(VP Lee Jae-gul) Yes, I do.

(Rep. Noh Jong-myun) And regarding forensics, whether it was a copy, or forensics, you said earlier that you consulted with the NIS about the investigating agency as well.

(VP Lee Jae-gul) Yes, our understanding was that they permitted us to create a forensic image.

(Rep. Noh Jong-myun) And you said you also discussed the agency, right?

(VP Lee Jae-gul) Forensics... (Audio overlap) (Interrupted)

(Rep. Noh Jong-myun) (Audio overlap) You said the NIS recommended which agency would be good to handle it.

(VP Lee Jae-gul) You mean an external agency, correct?

(Rep. Noh Jong-myun) Yes.

(VP Lee Jae-gul) From the beginning, we had extensive discussions about which agency would be best suited to analyze the recovered device.

(Rep. Noh Jong-myun) Very well. What I'm most curious about right now is this: Coupang made a public announcement by itself, on its own. Whether it was cooperation with or instruction from the NIS, interpret that as you wish. Through that process, Coupang must have obtained information and evidence. And you stated that since Coupang couldn't handle that evidence arbitrarily, Coupang submitted it to a government agency, correct? But then why did Coupang make the announcement? Did the NIS tell Coupang to do it?

(VP Lee Jae-gul) On the 21st, we submitted all originals to the police, and on the 23rd... (interrupted)

(Rep. Noh Jong-myun) No, I'm asking why Coupang made the announcement. Did the NIS tell Coupang to do it?

(VP Lee Jae-gul) I'm trying to explain. By the 23rd, we had fully briefed the PIPC. What concerned us the most was that there were news articles that the public might misunderstand and think their information was still circulating in China... phishing crime... (interrupted)

(Rep. Noh Jong-myun) No, listen. There may be multiple reasons, fine. If you say, "The NIS told us to," or "We decided on our own," then I'll ask why next. Who first suggested making the announcement?

(VP Lee Jae-gul) Let me explain the reasons together.

(Rep. Noh Jong-myun) (Mic off) I said I will ask that later! I am separating the sequence of events!

(VP Lee Jae-gul) At the time...

(Chairperson Choi Min-hee) Hold on. Rep. Noh Jong-myun, I'll give you three more minutes so you can finish. I would prefer that you do not request further rounds of questioning after this. Please proceed accordingly.

(Rep. Noh Jong-myun) I'll give you time to answer... Who decided to make the announcement? To issue a statement on December 25?

(VP Lee Jae-gul) At the time, there were concerns about secondary phishing — customers worried that their information was still out there, and if they were contacted by someone else, they could fall victim to phishing... (interrupted)

(Chairperson Choi Min-hee) Wait, stop for a moment.

(VP Lee Jae-gul) ...we believed that informing the public promptly about these matters was necessary to prevent secondary harm.

(Chairperson Choi Min-hee) VP Lee, Lee! Stop for a moment, pause. Will you please listen to Rep. Noh Jong-myun? Answering my questions earlier, you said the decision to make the announcement was based on Coupang's own internal judgement.

(VP Lee Jae-gul) That's what I'm trying to explain now.

(Chairperson Choi Min-hee) So, here's how you should answer. Let me give you an example: The question will be like "was the announcement made by Coupang's own decision, or did the NIS instruct Coupang?" then the answer will be like "it was our own decision." Then Rep. Noh will ask "what was the basis for that decision?" That's how it works. So don't give us long-winded explanations. Understood? Consider you already stated that it was Coupang's own decision and then we will start from that point again.

(Rep. Noh Jong-myun) Was that Coupang's own judgment?

(VP Lee Jae-gul) Yes, it was not an instruction given to us to make an announcement.

(Rep. Noh Jong-myun) Was that so difficult to say? Why did you judge that an announcement had to be made at that particular moment? Anyone can see that this is related to a crime, and the investigation results or findings from even a public agency are not easily trusted either—questions will keep arising. You must know that. And Coupang is not free from this crime. If one of the parties involved makes an independent announcement, it may undermine credibility and cause unnecessary misunderstandings. So, I'm curious why you felt the need to announce first.

(VP Lee Jae-gul) On the 21st, we submitted all materials to the police and explained the details, including the suspect's statements and what we recovered. On the 23rd, we provided the same briefing to the public-private joint investigation team and the Personal Information Protection Commission. At that time, our biggest concern was the false rumors that the customer information was still circulating and someone has misused this information, leading to media articles on secondary phishing damage. So, we believed it was necessary to quickly inform customers that the original leaked data had been recovered and the rest deleted, to prevent such secondary harm.

(Rep. Noh Jong-myun) So now, VP Lee Jae-gul, it appears that your stance aligns with that of Coupang's, that we should trust the suspect's statement and believe Coupang's internal investigation is infallible. Is that it? You said you respect the joint government investigation, the legal system of Korea, the judicial and investigative bodies, here in Korea. That's why you can operate as a company here. Then why, in such an important matter where there is a joint investigation team and investigative agencies are investigating, did you act on your own? Saying it was to protect victims?

And another thing is that you said that false information is circulating. Do you even know what's false? Do you know? Is it safe now? How can you be so confident? Then you should tell the investigative agencies to stop the investigation, saying it's over. We're still in the process of reaching a conclusion. Don't you know that? Aren't you a legal professional? Aren't you a Korean citizen? If a party involved announces that they investigated and here's what they found before the police releases their investigation results, (statement after mic off) are we all supposed to believe that? Answer me.

(VP Lee Jae-gul) Yes, based on findings we had confirmed at that time, including external experts' review results and the suspect's statements, everything was consistent. So, we shared that with the police, the PIPC, and the public-private joint investigation team, and then we announced it again.

(Chairperson Choi Min-hee) We...

(VP Lee Jae-gul) We...

(Rep. Noh Jong-myun) (Statement with mic off) The National Assembly investigation team or the investigative authorities hear such statements, verify them, and cross-check them, and then they announce the investigation results. You are saying you cannot wait for that, for whatever reason. We conducted investigation, so why the government of the Republic of Korea not announcing these investigation results? It means you will do as you please, even setting your own timetable? What kind of company behaves like that? Leave Korea!

(VP Lee Jae-gul) The reason we couldn't inform the joint investigation team, the PIPC, and even the police about what had happened earlier was because the NIS made a very strong request.

(Rep. Noh Jong-myun) (Statement with mic off) It's not that the problem is you didn't say it earlier. Why did you make the announcement? Why the announcement?

(Chairperson Choi Min-hee) Excuse me.

(VP Lee Jae-gul) And we asked (audio overlap) the NIS about that at one point.

(Chairperson Choi Min-hee) I fully understand Rep. Noh Jong-myun's fury, as I experienced the same thing this afternoon. And while this can be one of the issues in the National Assembly investigation, it's not the essence. Please step down. Please return to your seat.

(Rep. Noh Jong-myun) (Statement with mic off) Let's keep it within reason. Within reason.

(Chairperson Choi Min-hee) These days, the ones usually setting guidelines for a particular case in Korea are primarily....

(Rep. Noh Jong-myun) (Statement with mic off) Even if you are doing this for a living, let's keep it within reason. Especially if you are legal professional!

(Chairperson Choi Min-hee) In the past, they were the most powerful ones. Sometimes the prosecution would create guidelines to downplay cases. Now we're seeing something very peculiar: one individual private company is setting investigation guidelines.

At this point, I think we need to hear briefly from Deputy Prime Minister Bae. We need to make it clear that this attitude—this idea that the government can be swayed by a company's investigation guidelines—does not work under the Lee Jae-myung administration.

(Deputy Prime Minister Bae) The government does not trust the suspect's statement as claimed by Coupang. Furthermore, we have no confidence in the entire process regarding the data provided to the 3 security agencies, specifically, what data was shared, how it was analyzed, and how the results were derived. The government has been conducting this investigation in cooperation with Coupang. However, I must express my deep regret over Coupang's decision to ignore this process and act independently in this manner. Although we have identified the suspect, the government also intends to investigate and uncover the facts in their entirety, including the forces behind the suspect, the allegedly deleted data, and how it was actually stored and leaked. Based on these findings, we will take firm and decisive follow-up measures.

(Chairperson Choi Min-hee) Rep. Lee Yong-woo. Please proceed with your questioning. You have 2 minutes.

(Rep. Noh Jong-myun) (Mic off) I have a procedural speech to make.

(Chairperson Choi Min-hee) Sure, you have 2 minutes.

(Rep. Noh Jong-myun) Coupang said they had made contact with three NIS officers. While there may be unique characteristics to intelligence activities, if this situation is allowed to be diluted like this, the credibility of our entire government could be shaken. I believe we must leave all possibilities open. Even the possibility that someone within our own ministry has been lobbied by Coupang. Therefore, I believe we must summon the NIS officers who were in contact with Coupang to the National Assembly investigation. That is all.

(Chairperson Choi Min-hee) Until yesterday, I received as much reporting as possible on the related facts. And as I listen now, I can tell which statements are being twisted. If anything, among the remarks he made out here, the one about the NIS asking for extreme confidentiality or something—that should've been my line, actually. They're displaying an attitude as if they are above the NIS and above the National Assembly of the Republic of Korea. So, we will proceed as Rep. Noh Jong-myun said.

Also, the NIS is monitoring all of this right now. So, once this is over, once I have further updates and results, I will report back to the committee members to the extent possible.

Rep. Lee Yong-woo, please proceed with your questions.

(Rep. Lee Yong-woo) I'm Lee Yong-woo, representing Seo-gu Eul, Incheon. Minister of Labor!

(MOEL Minister Kim Young-hoon) Yes.

(Rep. Lee Yong-woo) According to our ministry's guidelines, night work is regarded as a factor that imposes an excessive workload, so, when determining whether a death was caused by overwork...

(MOEL Minister Kim Young-hoon) About 30%...

(Rep. Lee Yong-woo) It's additional 30% weight factor. For example, two hours of night work is counted as 2.6 hours of daytime work..

(MOEL Minister Kim Young-hoon) That's correct.

(Rep. Lee Yong-woo) So if someone works 10 hours at night, it's counted as 13 hours, right?

(MOEL Minister Kim Young-hoon) That's correct.

(Rep. Lee Yong-woo) These guidelines weren't created arbitrarily—they're guidelines that comprehensively consider various normative, medical, and scientific factors.

(MOEL Minister Kim Young-hoon) It's the international standard.

(Rep. Lee Yong-woo) Mr. Rogers said night work and day work are not much different. I'd like to ask if he could work night shifts 365 days a year. Former CEO Park Dae-jun, when did you become Coupang's CEO?

(Former CEO Park Dae-jun) I became the CEO of the new business in 2020 and began serving as the CEO in full charge on May 26th this year...from around the end of May this year.

(Rep. Lee Yong-woo) You first became the CEO in what month of 2020?

(Former CEO Park Dae-jun) As of January 1, I...

(Rep. Lee Yong-woo) January 2020. From yesterday till this morning, regarding the CCTV footage related to Mr. Jang Deok-jun I mentioned, what was the purpose of analyzing that CCTV footage at the time?

(Former CEO Park Dae-jun) To the best of my recollection, at that time I was not well aware of which job categories performed which tasks in the fulfillment center. Many people were... (Interrupted)

(Rep. Lee Yong-woo) I have follow-up questions, so please keep your answers brief.

(Former CEO Park Dae-jun) It was to examine the nature of the work and the working patterns.

(Rep. Lee Yong-woo) The purpose of analyzing Mr. Jang Deok-jun's footage.

(Former CEO Park Dae-jun) Yes.

(Rep. Lee Yong-woo) Right after his death.

(Former CEO Park Dae-jun) Yes. It was for reviewing those aspects after that...(Interrupted)

(Rep. Lee Yong-woo) Wasn't this simply part of organizing materials for submission to the government or preparing for the National Assembly audit?

(Former CEO Park Dae-jun) I recall that it was for the purpose of examining the work patterns, Representative.

(Rep. Lee Yong-woo) Then why would you analyze general work patterns using Mr. Jang, Deok-jun's

CCTV footage, which was collected from a fulfillment center all the way in Chilgok? Answer the question clearly. Anyone can see that this amounts to perjury.

(Former CEO Park Dae-jun) I'm telling you honestly as I remember it. I am describing what I recall and understood at that time...(Interrupted)

(Rep. Lee Yong-woo) Then who ordered the analysis? Was it your own decision, or someone else's instruction?

(Former CEO Park Dae-jun) No, I never gave such an instruction.

(Rep. Lee Yong-woo) So whose instruction did you follow?

(Former CEO Park Dae-jun) The person referred to as the informant, who was employed at the time....

(Rep. Lee Yong-woo) Whose instruction did you follow?

(Former CEO Park Dae-jun) That person shared it with me...

(Rep. Lee Yong-woo) The informant being mentioned in the media now?

(Former Coupang CEO Park Dae-jun) Yes, yes....

(Rep. Lee Yong-woo) Understood. So, as I said earlier this morning, the analysis was done and reported to Kim Bom-suk. Apparently, he wasn't satisfied. He ordered to modify. Who reported it to Kim Bom-suk in the first place?

(Former CEO Park Dae-jun) Based on the email content you showed me...

(Rep. Lee Yong-woo) The informant?

(Former CEO Park Dae-jun) Yes, as the informant reported it, I...(Interrupted)

(Rep. Lee Yong-woo) But according to the conversation records with Kim Bom-suk submitted by the informant, the work was carried out based on the framework provided by you and then review done by Mr. Rogers—very intensively. And it shows that every hourly update was provided to you and Mr. Rogers. You did receive those reports, didn't you?

(Former CEO Park Dae-jun) No, I have no memory of that, Representative.

(Rep. Lee Yong-woo) Alright. After Kim Bom-suk gave modification orders, you also issued further directions, didn't you?

(Former CEO Park Dae-jun) Representative, I have absolutely no recollection of giving such instructions.

(Rep. Lee Yong-woo) You don't? According to the information I received, the National Assembly Audit by the Environment and Labor Committee was on October 26, and these messages were exchanged on October 25. These instructions to make edits and these specific points that were shared are, practically, orders to cover up an industrial accident. Following these instructions from Kim Bom-suk, the revision work began at 7:00 PM on Sunday, October 25. This GR team, this is the team you are in

charge of?

(Former CEO Park Dae-jun) Correct.

(Rep. Lee Yong-woo) The government affairs team?

(Former CEO Park Dae-jun) Yes, it was a team under me...(Interrupted)

(Rep. Lee Yong-woo) The GR and PR teams worked through the night until 6:00 AM the following Monday to finish the task. This is the information I received through the tip-off. Even so, are you still claiming you did not give such instructions? Just answer the question, please.

(Former CEO Park Dae-jun) I have never given such instructions.

(Rep. Lee Yong-woo) I see. Chairperson Song Kyung-hee, are you here? Let's examine the extent of the Personal Information Protection Act violations one by one. The late Mr. Jang Deok-jun was a worker affiliated with CFS, Coupang Fulfillment Services. To analyze the relevant footage, eight CCTV cameras from the Daegu Chilgok Center were transferred to the parent company, Coupang, where the analysis was conducted. Are there any points here that could be flagged as a violation of the Personal Information Protection Act?

(PIPC Chairperson Song) If Coupang used the CCTV footage for the purpose of covering up the occurrence of an occupational accident or gathering evidence that the death was not caused by overwork, I believe that is problematic.

(Rep. Lee Yong-woo) It could be punishable for using the footage beyond its authorized purpose, correct?

(PIPC Chairperson Song) Yes. If that can be confirmed. However, we also need to verify whether this was done based on a different legal basis, on separate legal grounds.

(Rep. Lee Yong-woo) Mr. Park Dae-jun, during that process, did Coupang obtain consent from the data subjects before taking them? I don't think it did, did it?

(Former CEO Park Dae-jun) I'm not aware of that.

(Rep. Lee Yong-woo) It also appears that the information was provided to a third party without consent of the data subjects. Isn't that punishable under the law as well?

(PIPC Chairperson Song) If it was done without any separate legal basis and without the consent of the data subjects, then there is a substantial possibility of a violation.

(Rep. Lee Yong-woo) To conceal and downplay the gravity of industrial accident, employees' personal information was accessed and shared freely without any consent. In order to cover up an industrial accident, which is a crime, they committed yet another crime. The mother of the late Mr. Jang Deok-jun had to spread out the blueprint of the site and numerous calculate the number of her son's steps because she couldn't get the CCTV footage. It was only during the trial that CCTV was finally secured. However, by around October 20, 2020, they had already been combing through each and every piece of data the bereaved family desperately had been seeking, doing all manners of things—frankly, anything imaginable—with the intent to minimize and conceal the truth. We will make sure they are held fully accountable for these despicable and unlawful acts.

(Rep. Lee Yong-woo) Minister, you heard the heartbreaking cries of the bereaved family of Coupang delivery worker Oh Seung-ryong in Jeju yesterday, didn't you?

(MOEL Minister Kim) Yes, I did.

(Rep. Lee Yong-woo) Looking at his work schedule, he worked six consecutive night shifts a week, typically that way, with only Thursdays off. Four weeks before his death, in October, he worked eight consecutive night shifts. His four-week average was 63 hours per week, and his 12-week average was 64 hours per week. If you add the 30% overtime premium, that's 75 hours per week on a four-week average and 76 hours per week on a 12-week average. Is that a workload any human can endure?

(MOEL Minister Kim) It far exceeds the threshold for death from overwork.

(Rep. Lee Yong-woo) As a result, Mr. Oh, who used to weigh over 90 kilograms and had a strong build, lost nearly 20 kilograms after more than a year of working Coupang night deliveries. Here's a photo from when he joined and another from 13 months later—about a 20-kilogram weight loss. Mr. Jang Deok-jun also lost 15 kilograms in a year. Coupang might claim it was due to a voluntary weight-loss effort. Worse, the agency he worked for spread absurd rumors that he died in a drunk-driving accident, and these were widely reported in the media, though the police confirmed they were groundless. I don't understand why these things keep happening only at Coupang. Minister, you are well aware that every time a worker dies at Coupang, Coupang tries to attribute it to individual fault or a pre-existing medical condition, aren't you?

(MOEL Minister Kim) Yes.

(Rep. Lee Yong-woo) At this point, I strongly urge MOEL to conduct not a token review, but a strict and truly full-scale inspection so that we can finally put in place measures that will fundamentally improve night-time delivery operations.

(MOEL Minister Kim) We will do that.

(Rep. Lee Yong-woo) Let's look at the next slide. This is about what Coupang boasts about regarding its parcel delivery workers. I hope Coupang takes a hard look at how far this is from reality.

Mr. Rogers, please respond at the end: Can we have an answer from you that you will recognize an industrial accident for Mr. Oh Seung-ryong's bereaved family and prepare follow-up measures? Can we hear that from you? Please respond at the end of my questioning.

Pause the timer, please. Mr. Jung Dong-heon, Leader of Coupang FC Branch under the Logistics Centers Chapter of the KPTU, please come forward. If possible, please come over here—to the opposite side where you can see me. Please give him a microphone.

Before he answers, please look at the screen on now: When Mr. Oh said he wanted just one more day off, this was the response—"If you want to rest, go somewhere else." This, in essence, reveals what Coupang truly is.

Mr. Jung, as the Coupang FC Branch leader, you probably know the situation well. Since we're short on time, I'll group my questions together. Please feel free to give a full answer.

(Coupang FC Branch Leader Jung) Understood.

(Rep. Lee Yong-woo) Recently, the media reported that Coupang has a manual for concealing serious

accidents. From what you see on-site, could you answer how strongly do you feel their attempts to cover up occupational accidents? Can you remember my questions?

(Coupang FC Branch Leader Jung) Yes, understood.

(Rep. Lee Yong-woo) You can take notes if needed.

Despite recommendations from the National Human Rights Commission and their promise made during the National Assembly hearing earlier this year, mobile phones are still not allowed inside the fulfillment centers.

Mobile phones are permitted even in the military, and yet, we are seeing this antiquated situation in which adult workers at Coupang are not allowed to bring in or carry mobile phones at their workplace. Despite the commitments made during the National Assembly audit and hearings, they have failed to fulfill their promise and still prohibit their workers from bringing their phones into the workplace. (Mic off) Please comment on this.

(Chairperson Choi Min-hee) Please give him one more minute. Give him more time and...in fact, I'll give you a total of three minutes, but please refrain from asking any additional questions...

(Rep. Lee Yong-woo) I'll just take one minute.

(Chairperson Choi Min-hee) You will ask additional questions?

(Rep. Lee Yong-woo) Coupang's CFS apologized at the National Assembly hearing for creating a blacklist and promised improvements. They claim it's now being operated only within the minimum necessary scope—are you experiencing any of those improvements? There are also concerns raised regarding the protection of employees' personal information, and I would like to hear what the employees themselves think about this.

And please feel free to share any other comments you may have.

(Coupang FC Branch Leader Jung) First, let me address the issue of the serious accident response manual. Even when a fatal industrial accident occurs at the fulfillment center, not even a single obituary notice is not shared on site. When the union hears of an accident and asks the company about it, we are told nothing on the grounds of protecting the deceased worker's personal information. So, when a fatality, or an industrial accident happens at the workplace, it's difficult for the union to respond because of Coupang's concealment of industrial accidents.

Although it has not happened often, there have been cases where we managed to obtain information about the deceased and locate the funeral home to meet the bereaved family. But, just as stated in the manual, when the union arrived at the funeral home, the company's response team was already stationed there, making it difficult for us to even approach the family. In the industrial accident response manual...ah, when we went to the funeral home, the company's response team actually asked us how we had found out.

In fact, it was the company's response team that turned the question back on us. When media reports about the serious accident response manual came out, there were so many striking similarities with what the union had previously experienced. It was when our suspicions became certainty.

Let me now move on to the second issue, about bringing in mobile phones. At the National Assembly

hearing last January, Representative Director of Coupang Fulfillment Services Jung Jong-chul said they would allow full phone access after a six-month preparation period.

According to the labor union's findings since the January hearing, there has been no pilot program ever run for bringing mobile phones into the workplace. Except for pre-approved devices, bringing mobile phones inside the fulfillment centers is still not allowed. The union views this as a clear case of perjury, as the promises made during the hearing have not been fulfilled. Even the National Human Rights Commission of Korea recommended that mobile phones be allowed inside Coupang fulfillment centers, citing the infringement on the freedom of communication.

We live in an era where even all soldiers in the military use mobile phones. Allowing mobile phones into the workplace is a matter of basic human rights and is directly connected to workers' health and safety. Coupang must promptly fulfill the commitment it made at the January hearing and immediately allow workers to bring their mobile phones into Coupang's fulfillment centers.

Let me address the third issue, the blacklist. The labor union would like to pose a question back to Coupang regarding this matter. At the National Assembly hearing last January, Jung Jong-chul, the Representative Director of Coupang Fulfillment Services, apologized for the blacklist incident and promised to prepare improvement measures.

It has now been a year since that hearing. During that time, the union has not heard a single word from Coupang about any improvements. If there have been any improvements, we ask that you share the details right here today. Union members and officials were included in that blacklist at the time, and the existence of the blacklist itself constitutes an unfair labor practice. Workers in the field are concerned that if they join the union, they may be added to the blacklist, and this fear is discouraging union membership.

If nothing has been improved since last January's hearing, then that too constitutes a failure to deliver the promise made at that hearing, and hence, false testimony. You must either clearly announce the mitigation measures and alternatives right here or promise to abolish the blacklist altogether.

I also have a request to make to the government authorities here today, including MOEL and the police. Coupang withdrew its complaint against the whistleblower who exposed the blacklist, after the National Assembly hearing last January.

However, the investigation into the whistleblower is still ongoing. And after the union discovered the blacklist scandal, there were cases for which the union filed complaints with MOEL and the police as well. Yet, even after 2 years, we are seeing little progress in these investigations. I understand that many government officials are here with us today. I would like to ask you to commit to speeding up the investigations.

Lastly, I've organized a few additional points I would like to raise.

Since the union was established in June 2021, we've faced many challenges in carrying out union activities at Coupang. From August 2021 until today—over four and a half years—we've held 39 rounds of main negotiations, 39 rounds of working-level negotiations with Coupang Fulfillment Services, Coupang's fulfillment subsidiary. Yet, despite all of this, we still haven't been able to conclude a collective agreement.

It took years just to receive the company's draft version of a collective agreement, which was nothing more than an empty shell.

As reported in the media, there are several unions within Coupang and its affiliates, and some of them are engaged in collective negotiation. But none of these unions have been able to conclude a collective agreement.

This, to us, is an unmistakable form of unfair labor practice by Coupang where they only normally recognize unions while disregarding them in practice. At last January's hearing, Coupang's representative directors stated, 'We guarantee the right to organize and will negotiate in good faith.' However, even after that hearing, the only thing that has increased is the number of negotiation sessions. And we still do not have a collective agreement.

The union has not been guaranteed by management the paid time for union activities, workplace access rights, and a union office that should, as a matter of course, be guaranteed to the union, from the time of its establishment until now. If Coupang truly recognizes unions and truly respects the right to organize, then it must immediately guarantee those rights and move swiftly toward concluding a collective agreement with the union.

(Chairperson Choi Min-hee) You have now exceeded six minutes. You are approaching seven minutes, so please wrap up.

(Coupang FC Branch Leader Jung) I'll finish quickly.

Over the years, there have been countless disciplinary actions and dismissals against union officials, and recent court rulings have recognized these as unfair dismissals and unfair labor practices. Yet, reinstatement has still not been carried out. At worksites where workers have virtually no break time, it was only through the workers' struggles that the Occupational Safety and Health Act was amended to require mandatory rest periods during heat waves. In response, Coupang used tactics by placing thermometers under cooling fans to artificially lower the perceived temperature and avoid providing those rest breaks. Coupang was the company that talks about cost even when workers' rest breaks are directly tied to their lives. At a time when industrial accident deaths and deaths from overwork among Coupang workers are drawing public attention, the provision of additional rest time is a matter of survival, directly linked to workers' health and safety. I appeal to the National Assembly, to the government authorities, and to the citizens watching this hearing today.

If we want to prevent any more tragic deaths at Coupang, today's attention must not fade quickly. Only sustained attention can bring change at Coupang. I ask for your continued concern. Thank you.

(Chairperson Choi Min-hee) Mr. Rogers, Rep. Lee Yong-woo asked earlier whether you would cooperate so that Mr. Oh Seung-ryong's case can receive proper industrial-accident recognition and appropriate follow-up measures. Please answer.

(Coupang CEO Harold Rogers) (Original statement) My understanding is that the vendor is working with the family. We'll be supportive of the vendor company.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) To my knowledge, the agency involved is in discussions with the bereaved family and we are providing support to that agency.

(Chairperson Choi Min-hee) What does that mean? Rep. Lee Yong-woo, what does this answer mean? Does it mean he will cooperate or that he will not? All I wanted was, 'Yes, we will cooperate' or 'No, we will not.' How did you interpret this answer?

(Rep. Lee Yong-woo) (Statement after mic off) That they will not take responsibility.

(Chairperson Choi Min-hee) No, rather, Minister of Labor, yesterday, right in front of the bereaved sister, you said, 'This appears to fall under an industrial accident.' Let us hear that again, please.

(MOEL Minister Kim) Yes. Although the formal recognition of industrial accidents falls under the purview of the Korea Workers' Compensation and Welfare Service, but based on the overall circumstances, I find it highly likely to be an industrial accident. I will guide the agency so that the recognition processing time can be shortened as much as possible, and I will work to ensure that a determination is made within January.

(Chairperson Choi Min-hee) Minister Kim, all the members gathered here today, although this is a joint hearing, are people who intend to see this through to the end. Earlier, Rep. Jung Hye-kyung asked that even a task force be formed so that this issue can be pursued to completion. The standing committees may differ, but we will take this all the way to the National Assembly investigation. And if that is not possible, then at least within the Science, ICT, Broadcasting and Communications Committee we will form a TF and push through, even beyond the standing committee boundaries. You have seen it - Rep. Noh Jong-myun, Rep. Kim Hyun, and Rep. Lee Joo-hee. Or, you can all simply come over to our committee. That is what we'll do.

(MOEL Minister Kim) My position remains the same as what I stated yesterday. We will ensure that the Jeju case is approved as an industrial accident as quickly as possible.

(Chairperson Choi Min-hee) And this moment is, I believe, a moment of deep reflection for all of us. At first, the Science and ICT Committee initially approached this only from the perspective of the hacking issue, but as we witnessed how astonishingly inappropriate their attitude was, it led us all the way here. As a member of the committee myself, I, too, have been overly consumed by issues limited to this committee's jurisdiction, and I now reflect on that. After all, isn't solving labor issues the most fundamental responsibility we have? Isn't this the cause we have dedicated ourselves to since our youth? I am participating in this hearing with a sense of gratitude to Coupang for awakening that reminder.

(Chairperson Choi Min-hee) Rep. Kim Woo-young, you may take an additional three minutes if you wish, on the condition that you will not request further questioning.

(Rep. Kim Woo-young) The horrific and multifaceted reality we are seeing today at Coupang, something that seems to embody every contradiction of South Korean society, is, in truth, the result of our failure to fully guarantee what our laws and Constitution promise. Workers' right to work, the people's right to welfare that ensures they can live happy and dignified lives – our failure to secure these rights is precisely why a flower as demonic as this one has grown in the sewer that we now see as Coupang.

Now, Mr. Rogers, do you have warmth in your heart? Is your heart, your very being, warm? Please answer 'yes' or 'no'.

(Coupang CEO Harold Rogers) (Original statement) Yes, my heart is very warm.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) My heart has warmth.

(Rep. Kim Woo-young) Then, let me cite a Korean saying: 'There's a person with neither blood nor tears.' The way Coupang has appeared so far, its attitude toward industrial-accident victims like Jang, Deok-jun and Oh Seung-ryong, and its complete lack of respect for the basic rights of the delivery workers whose labor generates so much of your revenue show no expression of empathy whatsoever. What people see is someone who is stingy about everything when it comes to money.

Do you think this perception is wrong? If so many people view you this way, shouldn't you reflect on whether there's something in your words and actions that has caused it? What is your view?

(Coupang CEO Harold Rogers) (Original statement) I simply disagree with what you said. We care deeply for our employees. We care deeply for our customers. We do everything that we can to take care of both.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I cannot agree with what you said. I care about my employees and sincerely care about our customers. I do my best to take care of both.

(Rep. Kim Woo-young) There's a saying that "Faith without deeds is not faith." You are nothing but words. I hope you will at least stand by those words. Minister of Employment and Labor, let me ask you. Coupang's crisis management response guideline report—the one that stripped workers of even the right to be mourned after death. Please take a look at this confidential document, PPT. Minister, have you ever received a report on this or seen it?

(MOEL Minister Kim) Yes, I've seen it.

(Rep. Kim Woo-young) Ah, a worker collapsed while working. But the working process relates to whether an incident is caused by equipment or not. If it's a non-equipment-related accident—meaning not directly linked to the work-related factors—the manual says to review and decide whether to stop work. So, if it's a non-equipment accident, this means workers operating nearby equipment should keep working. If a machine breaks down, you stop the line, as a matter of course. But if a person collapses from overwork or suffers cardiac arrest, since it's not considered a workplace factor, the line keeps running. That's Coupang's safety rule: keep sorting packages while your colleague is dying next to you. Minister, under the Occupational Safety and Health Act, there's an obligation to stop work in case of imminent danger, correct?

(MOEL Minister Kim) Correct.

(Rep. Kim Woo-young) This crisis management response manual constitutes a material violation of this Occupational Safety and Health Act. Will you issue a corrective order?

(MOEL Minister Kim) We were scheduled to complete the overall audit on the operational status today, but we'll extend it and review everything thoroughly. If we find violations, we'll take immediate corrective action.

(Rep. Kim Woo-young) Now, second point: "Do not show an accident footage to a doctor." On the right, it says, "No use of CCTV, black box, and other video materials" and "Incident reports must not be shown to or shared with medical staff or outsiders." Let's say, a doctor receives a cardiac arrest patient. That doctor needs to know how the person collapsed under what circumstances, how that person got injured—whether he/she fell or got stuck—to treat them properly. But this manual says, "Do not show CCTV to medical staff." Mr. Rogers, even in a war, there's an obligation to treat prisoners of war. Yet when your workers get injured and collapse, your manual says not to show doctors CCTV footage. If you have a warm heart, explain this.

(Coupang CEO Harold Rogers) (Original statement) That's not what I am saying. I am unfamiliar with this document.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am not saying that. I am not aware of this document.

(Rep. Kim Woo-young) Since you bear overall responsibility for everything in that company, the proper response should be: “I will immediately check whether such a manual exists, and if the issue is true, I will take corrective action right away.” That would be the normal answer.

(Coupang CEO Harold Rogers) (Original statement) We have made significant investments in the safety and well-being of our workers, and we’ll continue to do so. We’ve spent hundreds of millions of dollars to make their lives better and we’ll continue to do so.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We have invested heavily in employee well-being and safety and will continue to do so. I am investing hundreds of millions of dollars to improve employees’ lives.

(Rep. Kim Woo-young) (Audio overlap) I can only say this is nothing but a string of cowardly excuses. Minister.

(MOEL Minister Kim) Yes.

(Rep. Kim Woo-young) No submission, no use of footage for medical purpose—this is something you shouldn’t do even to prisoners of war. What do you think?

(MOEL Minister Kim) It’s extremely hard to accept.

(Rep. Kim Woo-young) This could practically amount to aiding and abetting murder indirectly. Please investigate and correct this immediately. Now, here’s the manual for funerals: Go not to pay respects, but to monitor. At the funeral, identify whether the union gets involved, secure friendly communication channels. The root of the expression the bereaved family, one grieving mother used yesterday—calling Coupang “bastards”—lies right here. This inhumane attitude. Instead of comforting the bereaved family and sharing deep sorrow for the deceased, they go to isolate unions and gather evidence to reject their claims. I don’t think even North Korea would do this. Chairman of the Financial Services Commission, are you here? Please come forward.

Earlier, I asked about the mutual relationship between JP Morgan’s report and Coupang. Let me revisit it. This is JP Morgan’s report dated December 1. It says: “We believe Korean consumers may have become less sensitive to data breach cases after multiple data breach incidents this year.” Next page: “Nevertheless, we recommend a ‘buy on dip’ strategy, as we expect the potential negative impact from the data breach to be limited. Reiterate OW.” This is what JP Morgan’s report says. JP Morgan is not completely independent from Coupang—it was the lead underwriter for Coupang’s NYSE listing and is among its top six shareholders. Then I think this suggests that it is a related party or has a relationship with a high potential for conflict of interest. What is your view?

(FSC Chairman Lee) Yes, if such an analysis report was written with intent or bias, I believe that would be problematic.

(Rep. Kim Woo-young) Right. Let us talk about the Capital Markets Act.

(FSC Chairman Lee) Yes.

(Rep. Kim Woo-young) That Act includes provisions on violations related to unfair trading practices. Article 178 of the Capital Markets Act prohibits the use of unfair means, schemes, or techniques, as well as deception, in connection with the trading of financial investment products. If Coupang tried to downplay negative news by using JP Morgan to spread biased information like “Koreans are insensitive,” and JP Morgan included that in its report without verification to lure investors, wouldn’t

that clearly constitute disturbance of the market? What's your view?

(FSC Chairman Lee) Yes, as you said, if these were written for the purpose of instigation and had an impact, I think that could undermine fairness.

(Rep. Kim Woo-young) Especially, in the midst of such a major data breach and under the circumstance where our citizens... (Mic off) were profoundly shocked, JP Morgan...

(Chairperson Choi Min-hee) Shall I give you an extra three minutes?

(Rep. Kim Woo-young) Yes, please.

(Chairperson Choi Min-hee) Sure. Please give him three more minutes.

(Rep. Kim Woo-young) How does JP Morgan phrase it? They say, "Now is the time—it's cheap, so it's the perfect time for bargain buying." They're telling people to profit off others' misfortune by buying low. Don't you think our financial authorities need to thoroughly monitor and regulate these market-disrupting practices that undermine sound market order?

(FSC Chairman Lee) Yes, basically, Coupang's headquarters is a corporation listed on NASDAQ in the U.S. and the U.S. SEC strictly cracks down on fraudulent activities. As you can see, shareholders have already filed a class action lawsuit. I understand the lawsuit is based on shareholder value damage due to security failures, inadequate disclosures, etc. So, I believe the SEC will thoroughly investigate all these aspects.

(Rep. Kim Woo-young) Are you saying you'll rely on the U.S. authorities?

(FSC Chairman Lee) No. And if the SEC requests our cooperation during its investigation, we will actively cooperate as well.

(Rep. Kim Woo-young) This JP Morgan report was produced by JP Morgan's Seoul branch. And even though the headquarters is in the U.S., more than 90% of Coupang's revenue comes from Korea—especially through the Korean entity, which generates almost all of it. That's why this issue isn't just under the jurisdiction of the U.S. SEC. The Korean Financial Services Commission should form a capital market investigation team to protect the rights of our citizens, don't you think so?

(FSC Chairman Lee) Yes, if there are areas where we can act or where it's necessary, we'll look into them, including cooperation with the SEC and other measures.

(Rep. Kim Woo-young) Even with very strong determination, it's actually difficult to carry through. So, the FSC Chairman, and the NTS Commissioner and the KFTC Chairperson

(KFTC Chairperson Ju) Yes.

(Rep. Kim Woo-young) All of you. As I said earlier, Coupang didn't just appear out of nowhere. It came out of Korea's legal and administrative systems—out of the sludge of their shortcomings. Those in administration need to properly improve the system and set a clear example. This is not something to gloss over. Mr. Rogers, make sure you think about this when you get home. (Mic off) Money blinds people. Ask yourself whether you have been captured by it or not.

(FSC Chairman Lee) Yes, as you mentioned, not only the FSC but all the policy authorities present

here today view this issue as extremely serious and, if there are any violations or wrongdoings, we will respond firmly and decisively to the extent possible.

(Chairperson Choi Min-hee) I couldn't hear your last comment because the mic was off. Rep. Kim Woo-young, what did you tell Mr. Rogers to think about when he gets home?

(Rep. Kim Woo-young) Please tell him on my behalf.

(Chairperson Choi Min-hee) Have you forgotten? Rep. Kim Young-bae, please proceed with your questions.

(Rep. Kim Young-bae) Yes, this is Kim Young-bae. Yesterday, Mr. Rogers agreed to a proposal from one of our colleagues to work a shift together at a logistics center early in the morning, and there was a talk that it would be great if other members joined. I'll join. We made a promise together, so you'll do it, right?

(Coupang CEO Harold Rogers) (Original statement) With the one lawmaker? I don't know how many lawmakers we can have on it, but sure.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I'm not sure how many lawmakers will join, but yes, I will.

(Rep. Kim Young-bae) Ok, then, I believe there will be others who would like to join besides myself. I'll invite some people to participate, so it'd be great if many people can go together. It would be great to experience it firsthand on the site and figure out what the problems are and how to solve them. Now, Chairperson of the PIPC?

(PIPC Chairperson Song) Yes.

(Rep. Kim Young-bae) Let's review this overall. Under the Personal Information Protection Act, which case constitutes a personal information leak? Legally speaking?

(PIPC Chairperson Song) Yes, when personal information becomes accessible beyond the authorized scope of the data handler—that is, to unauthorized parties, including third parties—that constitutes a leak.

(Rep. Kim Young-bae) So, based on that, the information leaked from Coupang falls under a personal information leak as defined by the Personal Information Protection Act, correct?

(PIPC Chairperson Song) It does.

(Rep. Kim Young-bae) How many cases are there?

(PIPC Chairperson Song) We've confirmed that approximately 33.7 million names and email addresses were leaked.

(Rep. Kim Young-bae) Good. So, the core issue now is that 33.7 million pieces of personal information were leaked from Coupang and there was a violation of the Personal Information Protection Act. Correct?

(PIPC Chairperson Song) Yes.

(Rep. Kim Young-bae) So that's confirmed. Then, in that case, can our government agencies impose administrative penalty or, as I've seen in other cases, can the Korea Consumer Agency recommend compensation amounts? Is the President of the Consumer Agency here?

(KCA President Yoon) Yes.

(Rep. Kim Young-bae) In the SKT case, wasn't it about 22 million people, with a recommended compensation of KRW 100,000 each—so around KRW 2.3 trillion in compensation? Is that correct?

(KCA President Yoon) Yes, first, we, uhm, the application for collective dispute mediation...
(Interrupted)

(Rep. Kim Young-bae) Is it correct or not, KRW 100,000 each?

(KCA President Yoon) Yes, the basic details are correct.

(Rep. Kim Young-bae) Good. Then, in this case, at KRW 100,000 each, that would be KRW 3.3 trillion, right?

(KCA President Yoon) Yes, that's correct.

(Rep. Kim Young-bae) Good. Next, Chairperson of the PIPC. I see the Commission recommended SKT pay KRW 300,000 per person. Is that correct?

(PIPC Chairperson Song) Yes, the Dispute Mediation Committee made that decision.

(Rep. Kim Young-bae) Then, in this case, with 33 million cases, that's KRW 9 or 10 trillion, right?

(PIPC Chairperson Song) Yes, but that would require further deliberation.

(Rep. Kim Young-bae) Right? Good. So that's how it works. Now, to verify these things, Coupang would be considered a subject of investigation, correct, Chairperson?

(PIPC Chairperson Song) Yes, of course.

(Rep. Kim Young-bae) Right, it's a subject of investigation. Next – today we've discussed various issues, and if we file a criminal complaint regarding perjury, then it would become a subject of criminal investigation. Commissioner General of the National Police Agency, please step forward. If we file a criminal complaint in such case, will Coupang become a subject of investigation or not?

(NPA Acting Commissioner General Yoo) It will.

(Rep. Kim Young-bae) It'll be a subject of criminal investigation. If a subject of criminal investigation accesses key evidence related to the investigation, what happens? For example, Mrs. Kim Geon-hee instructed an administrator who committed a crime with her to commit perjury, right? If that's revealed, that becomes another crime, doesn't it?

(NPA Acting Commissioner General Yoo) Yes, that's correct.

(Rep. Kim Young-bae) That could also be grounds for detention, right?

(NPA Acting Commissioner General Yoo) Yes, that would depend on the circumstances.

(Rep. Kim Young-bae) Right. Risk of evidence destruction or flight is a key condition for detention, correct?

(NPA Acting Commissioner General Yoo) Yes, yes.

(Rep. Kim Young-bae) Good. So, as a result, Coupang is currently an investigation target and likely to become a subject of criminal investigation as well. Deputy Prime Minister.

(Deputy Prime Minister Bae) Yes.

(Rep. Kim Young-bae) Earlier, they conducted a self-investigation and made a self-announcement, right? And they reported that to the SEC. Probably to manage their stock price and reassure their U.S. shareholders, regardless of the Korean government or Korean people. To manage their stock price.

(Deputy Prime Minister Bae) Yes, I think so too.

(Rep. Kim Young-bae) But in that disclosure, instead of 33 million cases, it says about 3,000 cases, right?

(Deputy Prime Minister Bae) Yes, that's correct.

(Rep. Kim Young-bae) Isn't that false information? What's your view?

(Deputy Prime Minister Bae) I think announcing only based on the suspect's statements and internal investigation results is a serious problem.

(Rep. Kim Young-bae) Later, the government joint TF will announce the results, right?

(Deputy Prime Minister Bae) Yes, we will announce them.

(Rep. Kim Young-bae) If the government's announcement differs from Coupang's SEC filing and website disclosure, meaning if it's false information, what happens then?

(Deputy Prime Minister Bae) That would constitute perjury, and the relevant matter would be entirely subject to criminal investigation.

(Rep. Kim Young-bae) What we can summarize at this point — this is the core of the matter. As I said earlier, under no circumstances, for example, when we are conducting investigation and there has been a meeting at a safe house, there is absolutely no situation where the investigative subject goes first, meets someone, and then announces, "This is what was said there," regarding what took place at that meeting or the related evidence. That simply cannot happen under any circumstances. Commissioner General of the National Police Agency, in such a case, what criminal charge would apply under the Criminal Act?

(NPA Acting Commissioner General Yoo) Evidence destruction or obstruction of official duties by fraudulent means could be considered.

(Rep. Kim Young-bae) Do you think this constitutes obstruction of official duties by fraudulent means?

(NPA Acting Commissioner General Yoo) Yes, that could certainly be reviewed.

(Rep. Kim Young-bae) Good. Please keep in mind that the public is watching closely. Fairness and justice under the Lee Jae-myung administration may hinge on this. Right?

(NPA Acting Commissioner General Yoo) Yes.

(Rep. Kim Young-bae) So, I believe this is something that requires putting your position on the line, investigating and verifying the facts, and punishing if necessary. What do you think?

(NPA Acting Commissioner General Yoo) Yes. If a complaint is filed with the police, we will conduct a strict investigation in accordance with the law and principles.

(Rep. Kim Young-bae) Okay, good. Earlier, Mr. Harold Rogers said that he gave an instruction to post and disclose the investigation results on the website. That's correct, right? Including what was sent to the SEC—you gave an instruction, didn't you?

(Coupang CEO Harold Rogers) (Original statement) No, I did the .. I signed off on the SEC filing as my role as a General Counsel. As to the announcement, that's from multiple teams that were involved (interrupted).

(Coupang CEO Harold Rogers) (Simultaneous interpretation) No. Signing the SEC filing earlier was done in my capacity as General Counsel.

(Rep. Kim Young-bae) So you didn't give an instruction, but you only signed it? Does that make sense? Are you kidding me?

(Coupang CEO Harold Rogers) (Original statement) Why are we talking about this and not talking about the fact that we worked successfully with the government to retrieve this data and to secure customers' data?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Why are we only talking about this and not about the fact that we successfully cooperated with the government to retrieve the data?

(Rep. Kim Young-bae) I didn't ask you about discussions with the government.

(Coupang CEO Harold Rogers) (Original statement) Why are you obscuring that customers' data is now safe? It's now safe.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Customers' data is...

(Rep. Kim Young-bae) Don't ask me "Why"; rather, it's "why" the remarks you are making... Why are you making such remarks here?

(Coupang CEO Harold Rogers) (Original statement) Why are we talking about this? We worked with the government and now you want to punish us for working with the government.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Why are you disadvantaging us for having cooperated with the government?

(Rep. Kim Young-bae) When did I ever...

(Coupang CEO Harold Rogers) (Original statement) You've been talking to the police commissioner and telling him to punish us criminally for working with your government, for working with the national agency to do this investigation. I don't understand that. Instead of announcing to customers that their data is safe.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Cooperated with the police commissioner and requested him to punish the criminal. We cooperated with the government.

(Rep. Kim Young-bae) So what you're saying now is... what you're saying now is...

(Coupang CEO Harold Rogers) (Original statement) They've had this information for weeks, for a month and have done nothing.

Interpretation not provided

(Rep. Kim Young-bae) I didn't ask you that.

(Coupang CEO Harold Rogers) (Original statement) I don't understand.

Interpretation not provided

(Rep. Kim Young-bae) That's enough.

(Coupang CEO Harold Rogers) (Original statement) I don't understand.

Interpretation not provided

(Rep. Kim Young-bae) Stop it.

(Coupang CEO Harold Rogers) (Original statement) All the talk has been about punishing us instead of about the customers.

Interpretation not provided

(Rep. Kim Young-bae) Stop! Stop talking!

(Coupang CEO Harold Rogers) (Original statement) And the joint investigation with the government. Why are we not talking about the joint investigation with the government?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Why are we not talking about the joint investigation with the government?

(Chairperson Choi Min-hee) Okay, let's go back, Rep. Kim Young-bae. Let's ignore this and restart from three minutes.

(Rep. Kim Young-bae) Sure, okay.

(Chairperson Choi Min-hee) Yes, because this is their strategy—they keep repeating the same words, so...

(Rep. Kim Hyun) (Statement with mic off) They're doing this because Kim Bom-suk is watching, as if they're trying to show it off to him.

(Chairperson Choi Min-hee) Yes, that's correct.

(Rep. Kim Young-bae) Alright then, what you just said—you can say that to the investigative authorities and later in court, so let's stop here. Chairperson of the KFTC, earlier, there was a

mention that there will be an announcement by the joint government task force. Among that, I asked yesterday whether it's possible to designate (him) as a conglomerate head, that is, the same person designation. Chairperson, having reviewed the matter up to today, could you please once again state your position regarding this?

(KFTC Chairperson Ju) Yes, are you asking me to speak now...

(Rep. Kim Young-bae) Yes.

(KFTC Chairperson Ju) So the important thing now is to investigate whether his younger brother, Kim Yoo-suk, is involved in management, and also to check how much compensation, uh, bonuses and compensation he is receiving.

(Rep. Kim Young-bae) Based on what I confirmed yesterday, last year he received an annual salary of about KRW 600 million, and additionally, restricted... transferable shares worth about KRW 2.4 billion?

(KFTC Chairperson Ju) Yes.

(Rep. Kim Young-bae) So in total, over KRW 3 billion. If he is working as an employee receiving that level of compensation, I believe this could definitely qualify for designation. But, Chairperson, I have one concern.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Young-bae) When I asked the Chairperson of the PIPC and the President of the Consumer Agency earlier, my concern was that if fines or monetary penalties are imposed, given Coupang's behavior, they might pass the burden onto suppliers or our workers, laborers. That worries me. According to the KFTC's report on large retailers' sales commission rate practices, Coupang collected over KRW 2.3 trillion last year alone from suppliers under the name of growth rebates or some kind of sales incentives—amounting to nearly 10% of its sales. Isn't that correct?

(KFTC Chairperson Ju) Yes, that's correct.

(Rep. Kim Young-bae) Legally, some of this may be allowed, but they are abusing it by twisting the suppliers' arms.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Young-bae) Taking as much as nearly 10% of their sales—almost forcibly—is what they've done, right?

(KFTC Chairperson Ju) Yes, yes.

(Rep. Kim Young-bae) We cannot just sit back and watch this behavior.

(KFTC Chairperson Ju) No.

(Rep. Kim Young-bae) That issue needs to be addressed later as well.

(KFTC Chairperson Ju) Yes, yes.

(Rep. Kim Young-bae) But if fines or penalties are imposed now,

(KFTC Chairperson Ju) Yes.

(Rep. Kim Young-bae) Based on what I see, won't they obviously shift the burden to the suppliers or the laborers? What do you think?

(KFTC Chairperson Ju) If such behavior—passing fines onto the suppliers—is found, it would be considered a serious aggravating factor. We must ..uhm, regulate to ensure that does not happen.

(Rep. Kim Young-bae) Yes. I trust the KFTC will keep a close watch.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Young-bae) Yes. And anyway, lastly, Deputy Prime Minister, (Mic off) please state your resolve.

(Deputy Prime Minister Bae) As I have stated multiple times, the government is taking this matter very seriously at a pan-government level. We will keep all possibilities open, conduct investigations and further inquiries, and respond rigorously to ensure that the public does not feel any anxiety.

(Chairperson Choi Min-hee) Representatives, those of you who have made procedural statements requesting perjury referrals or specific actions—please quickly write down the names of the individuals you want referred for perjury and the reasons, and send them to the Executive Secretary's office. Is the Executive Secretary's office collecting them now? They are. Please submit them.

And Rep. Kim Hyun-jung, you submitted the request for a National Assembly investigation today, correct?

(Rep. Kim Hyun-jung) (Statement with mic off) Yes, I did.

(Chairperson Choi Min-hee) Please briefly speak about that first before we proceed.

(Rep. Kim Hyun-jung) (Statement with mic off) In the form of procedural speech...

(Chairperson Choi Min-hee) Yes.

(Rep. Kim Hyun-jung) At 2 p.m. today, based on the judgment that the joint hearing failed to properly uncover the truth due to the absence of key witnesses like Chairman Kim Bom-suk, more than 120 members of the Democratic Party of Korea co-signed and officially submitted a request for a National Assembly investigation to the Bill Processing Office of the National Assembly. Since the People Power Party also suggested conducting a National Assembly investigation instead of a joint hearing, I strongly urge them to participate in this state investigation as well. Furthermore, I hope we can work together to ensure that the date for the state investigation is set as soon as possible.

(Chairperson Choi Min-hee) Please begin.

(Rep. Kim Hyun-jung) Mr. Rogers, I just spoke a moment ago, and today we submitted a request for a National Assembly investigation. The main reason for submitting this request is that Chairman Kim Bom-suk failed to appear. Will you convey to Chairman Kim Bom-suk that he must attend the

investigation?

(Coupang CEO Harold Rogers) (Original statement) It's not my place to instruct our Chair on what to do. I find that an odd request.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I'm in a position to report to the Chair, not to instruct him. It seems like a somewhat unusual request.

(Rep. Kim Hyun-jung) Then can you at least convey exactly what I'm proposing now?

(Coupang CEO Harold Rogers) (Original statement) I'll be discussing with our committee, all of our board of directors on all of these issues.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I will discuss this matter with the Board.

(Rep. Kim Hyun-jung) So, you're saying is that you will convey it, right?

(Coupang CEO Harold Rogers) (Original statement) I'll be discussing the issues that have come up during these proceedings in the business updates.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I will discuss the issues raised at this hearing with the Board and provide them with business updates on the relevant matters.

(Rep. Kim Hyun-jung) Then please convey to Chairman Kim Bom-suk that when the National Assembly investigation is requested, he must attend. Also, please communicate that during this hearing, there is great anger over Coupang's compensation plan, which feels like a promotional event or a bundling tactic that mocks our government, the National Assembly, and the people and that although there was no government direction, Coupang falsely testified that it conducted investigations and forensic analysis under government orders, and our government will take strict action regarding this perjury. And please make sure to convey that we strongly urge him to attend the state investigation.

(Coupang CEO Harold Rogers) (Original statement) I have answered that question.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have already answered that question.

(Rep. Kim Hyun-jung) Witness Park Dae-jun, could you come over here?

You're aware that in 2020, Coupang offered unlimited Coupang Play streaming as a benefit of the WOW membership, correct?

(Former CEO Park Dae-jun) Yes, I'm aware.

(Rep. Kim Hyun-jung) And since then, Coupang has acquired broadcasting rights for popular sports like F1 and provided them for free, creating the perception among consumers that with WOW membership, all content was free.

Please look at this PPT. (Referring to the screen) But last April, Coupang raised the WOW Membership fee from KRW 4,990 to KRW 7,890—a sharp 58% increase. Then, less than a year after that increase, Coupang Play, which had offered unlimited free access, introduced a paid product called "Sports Pass" for key sports like the Premier League. You're aware of that, right?

(Former CEO Park Dae-jun) Yes, I'm aware.

(Rep. Kim Hyun-jung) So ultimately, from the consumers' perspective, there are many people who subscribe due to the Premier League; but to watch it, they should pay an additional KRW 9,900 on top of the WOW Membership fee. So, after raising the WOW Membership fee by as much as 58%,

Coupang is now charging an extra KRW 9,900 for Premier League access. This means consumers end up paying a total of KRW 17,790. Isn't this clearly a double cost burden and an act of deceiving consumers?

(Former CEO Park Dae-jun) Representative, may I provide a brief explanation?

First of all, the costs of overseas IP content, especially sports, are astronomically high. As a result, sourcing such content involves immense expenses, so we were in a situation where we had no choice but to make it a paid service.

(Rep. Kim Hyun-jung) That answer is outrageous.

KFTC Chairperson, you just saw Coupang's behavior. Exactly what I just described. This is a classic bait-and-switch tactic.

(KFTC Chairperson Ju) Yes, it is a typical practice among platform operators.

(Rep. Kim Hyun-jung) Isn't this a variant of tie-in sale?

(KFTC Chairperson Ju) Yes.

(Rep. Kim Hyun-jung) This is an act of exploiting a monopolistic position to impose unfavorable transaction terms on consumers. It is a clear case of consumer deception—unilaterally reducing the benefits promised at the time of membership sign-up and turning them into paid services. Coupang needs to realize this. This is not innovation; it is a deception of consumers for the sake of corporate profit. KFTC Chairperson, you are well aware of this, correct?

(KFTC Chairperson Ju) Yes.

(Rep. Kim Hyun-jung) Please look at the next PPT.

Coupang Play is the second-largest OTT service in Korea by user numbers. But this is not because its content is competitive—it is simply a free-ride, leveraging the massive membership base of the giant retail platform that is Coupang, as I mentioned earlier.

The chart shows that TVING used to be overwhelmingly No. 1, but Coupang Play has nearly caught up, and recently, its recent number of new members is the highest. This phenomenon didn't happen because Coupang invested in K-contents; it is because they used astronomical capital to monopolize Premier League broadcasting rights and are now shifting the entire cost burden to consumers by charging for the Sports Pass. That is what Coupang is doing. KFTC Chairperson, isn't that correct?

(KFTC Chairperson Ju) Yes, it is.

(Rep. Kim Hyun-jung) This is clearly a case of membership tying and abuse of market dominance, and I believe the KFTC must actively investigate and severely punish this. Otherwise, these kinds of practices will continue to recur. Will you ensure that you take such action?

(KFTC Chairperson Ju) Yes, we will conduct an active investigation. And as I mentioned earlier, under the current legal framework, administrative penalties and others are too weak, and the burden of proof is also excessively high. This is why the Online Platform Fairness Act needs to be introduced.

(Rep. Kim Hyun-jung) You are aware of the heavy criticism regarding former KFTC officials moving to Coupang Pay as executives—such as senior managing directors, managing directors, and deputy commissioners—over the past three years, correct?

(KFTC Chairperson Ju) Yes.

(Rep. Kim Hyun-jung) In the past, when the KFTC was pointed out like this, they always pledged strict enforcement. However, in practice, once it gets to the administrative penalty or investigation phase, the outcomes almost always end up being watered down, and this has repeated itself. I'm telling you once again: this time, you absolutely must not let that happen.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Hyun-jung) I'm telling you once again that you must investigate Coupang's unfair practices with the utmost rigor—even if it means reinforcing the KFTC's manpower—and hold them appropriately accountable for their actions.

(KFTC Chairperson Ju) We are strictly monitoring any contact with former employees. There is a mandatory reporting requirement, and any violations will result in disciplinary action.

(Rep. Kim Hyun-jung) Deputy Prime Minister, ideally I would've directed this question to the Minister of Personnel Management or the Minister of the Office for Government Policy Coordination, but since they are not present, I will ask you instead.

Looking at the data submitted by the Ministry of Personnel Management, there is an absurd phenomenon. Please take a look.

In 2022, a Grade-3 deputy commissioner from the KFTC was initially restricted from joining Coupang as a Senior Managing Director due to employment restrictions, as you can see at the top. Yet, around the same period, another Grade-3 KFTC official received approval for the same Senior Managing Director position at Coupang. You've seen this, correct?

The same goes to the National Police Agency. As shown here, in 2024, one sergeant was barred from a manager position at Coupang, while another sergeant was approved for a manager position at Coupang.

Looking at these two cases, the problem is that these are the same individuals. There is a very high probability that they are the same individuals. and I am requesting confirmation on that as well.

The reason for this is that under Article 17(2) of the Public Service Ethics Act, employment is strictly prohibited in cases of job relevancy or direct interests. When individuals go through the employment review, they are restricted from being employed under this provision. But then, they resubmit their applications by writing their justification statements very technically to get approval—acting as if there is no job relevancy or direct interest.

And this leads me to suspect whether the Ministry of Personnel Management was truly unaware of this. Therefore, I urge you to work with the Office for Government Policy Coordination or the Ministry of Personnel Management to rectify this issue.

I mentioned earlier to the Minister of MOEL and the Chairperson of the KFTC. There are many such cases, but due to time constraints, I have only highlighted the representative examples. But I am emphasizing this once again to ensure that such practices are never repeated.

Lastly, I have a word for the KFTC Chairperson. While other ministries and all have been providing answers to our inquiries, your responses have been somewhat lukewarm.

(Rep. Oh Gi-hyoung) (Statement with mic off) He's doing a good job...

(KFTC Chairperson Ju) In what sense do you mean...

(Rep. Kim Hyun-jung) No—you keep saying things like “we'll review it,” but you shouldn't do that. Mr. Rogers is listening to all of this through simultaneous interpretation. These are people who might not even budge even if our relevant ministers here express their firm positions. So, instead of just

"reviewing," you should say, for example, "We will review it and get tough." You must be that firm. And the "same person" issue is repeatedly mentioned. If a person is designated as the same person or the head of the business group, doesn't that come with many legal responsibilities? (Mic off)

(Chairperson Choi Min-hee) Rep., shall I give you three more minutes?

(Rep. Kim Hyun-jung) (Statement after mic off) Just one minute, please...

(Chairperson Choi Min-hee) If I give you three more minutes, you can't conduct additional questioning afterward.

(Rep. Kim Hyun-jung) (Statement after mic off) Understood.

(Chairperson Choi Min-hee) I will grant you three more minutes.

(Rep. Kim Hyun-jung) Regarding the designation of the same person, once designated, it comes with significant responsibilities, which is why we argue it's necessary. It has been confirmed that Mr. Kim Yoo-suk has been serving as an executive, a Vice President of the company. This was verified during the Euljiro Committee's visit, and it was also confirmed that his annual compensation, including various benefits, amounted to about KRW 3.2 billion, as you mentioned earlier. So now, the conditions for designating Kim Bom-suk as the same person are met.

In fact, back in 2021, regarding this same person designation, it was rejected on the grounds that Chairman Kim Yoo-suk.. held foreign nationality. But there were cases where other foreign nationals at different companies were approved. As this became an issue, the enforcement decree was amended to allow the designation of a corporation—essentially for the sake of Chairman Kim Bom-suk. There was considerable criticism at that time, wasn't there?

(KFTC Chairperson Ju) Yes.

(Rep. Kim Hyun-jung) Now, because his brother, Kim Yoo-suk, is involved, it seems the requirements for the same person designation are satisfied. However, the problem is, if Kim Yoo-suk leaves the company, those grounds for designation disappear once again. So, I would like to add that an amendment to the enforcement decree is necessary regarding this matter.

Also, in my view, the KFTC is the agency that possesses the most extensive measures at its disposal regarding Coupang. That's why I'm specifically making this point to you.

Furthermore, this hearing is being watched not only by Coupang but also by the entire nation. I'd like to stress once again that the government and the National Assembly have a heavy responsibility to resolve the issues that have caused such public outrage.

To summarize your responses since yesterday: you stated that you would review designating Coupang as a market-dominant business entity, and you also mentioned that in cases of abuse of market dominance, the cap on administrative penalties would be significantly raised from 6% of related sales amount to 20%.

(KFTC Chairperson Ju) That requires a legislative amendment.

(Rep. Kim Hyun-jung) Ah, yes—so you are saying you are positive about that?

(KFTC Chairperson Ju) Yes, it is currently in progress.

(Rep. Kim Hyun-jung) And you also mentioned that a business suspension is under review.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Hyun-jung) And just now, you said you would review the “same person” designation.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Hyun-jung) Previously, we also asked you to review an entry ban under Article 11 of the Immigration Act.

(KFTC Chairperson Ju) Yes, as I said before, an entry ban is an extremely serious measure, so we plan to review it with great caution.

(Rep. Kim Hyun-jung) Ultimately, the Minister of Justice makes the final decision after a review, correct? So, please conduct the review. Since he needs to attend the upcoming National Assembly investigation, please evaluate the situation and make judgment after that, even if you do proceed with that.

(KFTC Chairperson Ju) May I add just one more point?

(Rep. Kim Hyun-jung) I’m a bit...

(KFTC Chairperson Ju) After you finish.

(Rep. Kim Hyun-jung) So, as I pointed out earlier and yesterday as well regarding Coupang membership withdrawal—what’s the reason for delaying... (mic off) Please handle that issue in the same manner as well. I am telling you once again: do not stop at merely reviewing the matter. Please take strong action.

(KFTC Chairperson Ju) As I’ve said repeatedly, we re-examine the same person designation on a regular basis whenever we do it, and the next review will be around May. During that review, we will thoroughly examine all the points you raised.

(Chairperson Choi Min-hee) KFTC Chairperson, do you know why Rep. Kim Hyun-jung is making that remark?

(KFTC Chairperson Ju) Why is that?

(Chairperson Choi Min-hee) President Lee Jae-myung once said that when politicians or public officials respond with “We’ll review it,” it usually means “We have absolutely no intention of doing it.”

(KFTC Chairperson Ju) That’s not true. I’m not like that... (interrupted)

(Chairperson Choi Min-hee) And saying, “We’ll actively review it” means that “we’ll think about it for a little and then not do it.”

(KFTC Chairperson Ju) That’s not the case for me.

(Chairperson Choi Min-hee) And saying “we’ll make sure to do it” translates into a 75% probability as per his definition. You should keep that in mind.

(KFTC Chairperson Ju) We will make sure to do it. Let me add one point: even if the “same person” is designated, the provisions for imposing substantial penalties are too weak under the current legal framework.

So, I have reviewed this with my senior staff, and it turns out that even if the “same person” is designated, if a company is a 100% owned subsidiary of the parent company, we cannot regulate it under the rules governing private profit-taking. Therefore, we need new legislation that can also regulate private profit-taking practices such as receiving excessive bonuses or incentives and funneling them to relatives as a way of providing benefits. Otherwise, there will continue to be ways to evade the law in this way in the future. To address this, I believe the “same person” designation system itself may need to be amended. We will review that as well.

(Chairperson Choi Min-hee) Will you make sure to do it?

(KFTC Chairperson Ju) I will make sure to do it.

(Chairperson Choi Min-hee) Rep. Kim Hyun, please proceed with your questions.

(Rep. Kim Hyun) Please stay where you are. Show the PPT.

(Referring to the screen) Harold Rogers stated that “Vice President Kim is not an executive but an employee,” while former CEO Park Dae-jun said “he is a Vice President.” Correct?

(Former CEO Park Dae-jun) Yes, that’s correct.

(Rep. Kim Hyun) I believe what former CEO Park Dae-jun said is accurate.

Vice President Min Byung-ki, you work together with Vice President Kim Yoo-suk, right?

(VP Min Byung-ki) No, I do not.

(Rep. Kim Hyun) Then is Kim Yoo-suk not a Vice President?

(VP Min Byung-ki) I do not know that person.

(Rep. Kim Hyun) A Vice President’s office is... So, Kim Yoo-suk is not the kind of person who works in a cubicle with partitions. You’re saying you don’t know him?

(VP Min Byung-ki) That is correct.

(Rep. Kim Hyun) Do you not know Kim Yoo-suk?

(VP Min Byung-ki) No, I am in charge of policy...

(Rep. Kim Hyun) No, I’m asking if you know Kim Yoo-suk. Do you know Kim Yoo-suk or not?

(VP Min Byung-ki) I have never seen him.

(Rep. Kim Hyun) Do you not know him? Do you know Kim Yoo-suk or not?

(VP Min Byung-ki) I only learned about him through this hearing.

(Rep. Kim Hyun) Vice President Lee Jae-rok—wait, is it Lee Jae-rok? Vice President Lee Jae-gul, do you know Vice President Kim Yoo-suk, or not?

(VP Lee Jae-gul) I know him.

(Rep. Kim Hyun) You do, right? All right. Please pull up the next page. He has been working since 2014, correct? Can't you see the screen? Look here, just from a distance. He has been with the company since 2014, and you have been with the company since 2012. So, you must be very well-acquainted with Kim Yoo-suk, right?

(Former CEO Park Dae-jun) Yes, I know him well.

(Rep. Kim Hyun) You know him well, don't you?

(Former CEO Park Dae-jun) Yes, I do.

(Rep. Kim Hyun) He's one of the real power players—about third in line, right? Rogers is second, and Kim Yoo-suk is third. Would that be fair to say?

(Former CEO Park Dae-jun) I'm not familiar with the concept of someone being third in line.

(Rep. Kim Hyun) Come on, they studied together in the U.S. and they're brothers, aren't they? Based on the Korean saying goes, "Blood is thicker than water," Chairman Kim Bom-suk would see him as someone trustworthy, right? My point is, it's hard to view him as just an ordinary staff member or a simple employee, isn't it?

(Former CEO Park Dae-jun) Kim Yoo-suk I met... (interrupted)

(Rep. Kim Hyun) No, what I mean is—he could be considered a key figure, correct?

(Former CEO Park Dae-jun) That's something I... (interrupted)

(Rep. Kim Hyun) Understood. In any case, he's not just a rank-and-file employee. You may return to your seat now.

Next, Mr. Harold Rogers said that "they ordered and directed" and that "the National Intelligence Service (NIS) has requested to contact the suspect." So, he insisted that it was in effect an "order and directive" while the NIS stated that "it is not true—we are not in a position to do so. The final judgment rests with Coupang." And I must inform you, Mr. Rogers, that the NIS—the top intelligence agency of the Republic of Korea—requested the National Assembly to file a complaint against Coupang's CEO, Harold Rogers, for perjury.

Moving to the next one. It was said that "a government agency allowed us to make a separate copy for retention," while the NIS stated, "Before handing over the original IT devices to the NIS, Coupang had already duplicated the leaker's IT device." This is a fact. Next slide, please.

They claimed, "there was no Coupang's own internal investigation and it was the investigation that was conducted under the government's instruction." But the Deputy Prime Minister of Science and ICT stated that "while they keep claiming they received government instructions, the entities actually conducting forensics and log analysis are the MSIT-led joint public-private investigation team, the PIPC, and the National Police Agency." Consequently, I'd like to tell you that the record of Rogers' perjury or false statements keeps piling up. I hope you monitor this closely.

Next. Mr. Harold Rogers said that "we made forensic images from the hard drive. This was under the

instructions from the intelligence agency” and that “we provided this evidence to the government agency.” However, the Deputy Head of the Public-Private Joint Investigation Team stated that “what Coupang submitted was not the full forensic results but merely a PowerPoint summary, and we haven’t received the full results, including the raw data.” Therefore, I’d like to stress once again that Rogers’ statement is false, and we have no choice but to trust the Deputy Head of the Joint Investigation Team of the TF led by the Ministry of Science and ICT (MSIT).

Moving on. Harold Rogers announced Coupang’s own investigation results claiming that “3000 individuals’ data were leaked.” We also have a testimony from a Vice President stating that “there was no government instruction to make an announcement.” To this, Deputy Prime Minister Bae Kyung-hoon raised his voice and emphasized that “over 33 million records—including names and email addresses—were leaked. This was confirmed by the PIPC, the National Police Agency, and the Joint Public-Private Investigation Team. We also believe delivery addresses and order histories were leaked as well. To unilaterally announce uncoordinated results in advance is extremely malicious.”

Harold Rogers raised the possibility that evidence—emails and social media exchanges among Kim Bom-suk, Harold Rogers himself, and Former CEO Park Dae-jun—might have been tampered with. However, these are evidence submitted to the court and Coupang never questioned their evidentiary value during the litigation, and they used the content of those emails to argue in their own favor. I am clarifying these facts.

Next, Mr. Rogers spoke as if the resignation letter had been confirmed by the Ministry of Employment and Labor (MOEL) etc. for legality etc. But the MOEL has stated that the government never received any official request from Coupang, nor does any system exist for the MOEL and others to judge such or verify legality.

And lastly—though there is more, I will conclude with this summary.

Vice President Yoon Hye-young stated that “there were no illegal acts related to the unfair practice of shifting losses from dynamic pricing policies onto vendors through the PPM system.” However, after Representative Lee Joo-hee presented whistleblowers’ claims, Yoon changed her statement, saying that “sales incentives and others were not stipulated in annual master agreements but were conducted on an ad-hoc basis.” As the whistleblowing and questioning continued, she deflected responsibility by saying, she would “train employees better if such things happened,” but when questioned again, she said that she and VP Lee Byung-hee are the ones responsible. As for the whistleblower, I’d like to point out that the audio file regarding the coercion of PPM and sales incentives was verified during the hearing. Therefore, I’d like to tell you that Vice President Yoon Hye-young also gave false testimony.

Please show the last PPT. Vice President Yoon Hye-young, please come forward. You are a Vice President, correct? That’s your title, right?

(Audit Committee Member Yoon) Yes, that’s correct.

(Rep. Kim Hyun) The title is Vice President, correct? You are a Vice President, right?

(Audit Committee Member Yoon) Yes.

(Rep. Kim Hyun) How many Vice Presidents are there?

(Audit Committee Member Yoon) In our company, I don’t know exactly how many people are in other divisions...

(Rep. Kim Hyun) Is Coupang a pyramid organization?

(Audit Committee Member Yoon) As for the exact head count... (interrupted)

(Rep. Kim Hyun) Are there partitions so that you don't even know how many Vice Presidents there are? Aren't you an internal auditor? How can an audit committee member not know how many Vice Presidents there are in Korea? Not abroad—just here in Korea. How many Vice Presidents does Coupang have? You not know?

(Audit Committee Member Yoon) I do not know exactly.

(Rep. Kim Hyun) Then you're not acting as an audit committee member, but as someone cracking down on domestic companies. You are crushing domestic workers, and then PPM vendors. You're listed as the head of Rocket Fresh, Food, Digital, and Home Appliances—but you don't know how many Vice Presidents there are? Who knows then—Rogers? Kim Bom-suk? Is it because you're bundling them within the 140 or 170 people sent over that you don't know the number? Is there any other company in Korea like this? You generate KRW 40 trillion in revenue in Korea, and yet you don't know how many Vice Presidents there are? You, the audit committee member?

(Audit Committee Member Yoon) I'm sorry, but in our company, positions are not searchable in a way that allows us to know the exact number... (interrupted)

(Rep. Kim Hyun) Then who knows? Who has that information? It's Kim Bom-suk at the very top, right? So, he's the only one who knows? The others—Gaurav Anand or Kang Han-seung—don't even know either? Yoon Hye-young, Lee Byung-hee, Park Dae-jun, Rogers—you keep your positions if you perform well, but if you don't, you're dismissed overnight, like former CEO Park Dae-jun, despite 13 years of service; that's the structure at Coupang. No wonder workers' rights and dignity are nowhere to be found. That's why only Kim Bom-suk knows, isn't that right?

Rogers joined Coupang Inc. in 2020 and is now the second-largest shareholder. He doesn't understand Korean culture or the language. Communication is also impossible. Among people who are here, Vice President Yoon Hye-young seems to be the only person who can have conversation with Rogers in English. As you can see, Mr. Lee Byung-hee doesn't know English well. Mr. Park Dae-jun doesn't either. Communication is impossible. So, real-time communication can only happen between Rogers and Yoon Hye-young, and also Kim Bom-suk. Isn't it a structure where you can't talk through an interpreter?

The reason I have called you, Vice President Yoon Hye-young, to the stand is because you're an audit committee member. An auditor is supposed to be someone who knows the internal system well. You know Kim Yoo-suk, right?

(Audit Committee Member Yoon) Yes, I do.

(Rep. Kim Hyun) You know him well, right? Where is he right now?

(Audit Committee Member Yoon) I'm not sure about that. I have no knowledge of it.

(Rep. Kim Hyun) How can you not know? You said you know him well, so why are you saying you don't know? You are an audit committee member. He went abroad for overseas business, didn't he? It's written like that in his non-attendance statement. So that means he's abroad, right?

(Audit Committee Member Yoon) We're not in frequent contact.

(Rep. Kim Hyun) I'm not asking about your personal contact. You are aware of his non-attendance statement, right?

(Audit Committee Member Yoon) I'm sorry, but I haven't had a chance to confirm that part.

(Rep. Kim Hyun) We've been talking about this a lot over the past two days, haven't we?

(Audit Committee Member Yoon) I knew he didn't attend, but I didn't know the reason.

(Rep. Kim Hyun) So, you don't know the reason.

(Audit Committee Member Yoon) I don't.

(Rep. Kim Hyun) And you don't even know how many Vice Presidents there are. You do know your own role, right?

(Audit Committee Member Yoon) Yes, I'm in charge of the Retail Business Division.

(Rep. Kim Hyun) Yes, that is correct, right? And next, it's correct that Mr. Lee Byung-hee is in charge of Media, Beauty, and Home. Vice President Lee Byung-hee. This is correct, isn't it? Since you two agreed to take responsibility together, for each of your areas. In response to Rep. Lee Joo-hee's questioning, you said you two would take ultimate responsibility, so that is correct, right? The two of you...

(Audit Committee Member Yoon) Yes, the two of us are in charge of the Retail Business Division.

(Rep. Kim Hyun) So the two of you are responsible. And Mr. Park Dae-jun has stepped down, taking responsibility. As for Mr. Rogers, he is someone who can step down anytime because he knows so little about Korea.

He has been answering all through yesterday and today without even understanding the relationship with the NIS, the dynamics of instruction and cooperation, and even the laws governing the NIS.

That's why I'm making this point. You may return to your seat.

You said you don't know how many Vice Presidents there are, right?

(Audit Committee Member Yoon) I don't.

(Rep. Kim Hyun) I see.

Mr. Rogers, how many vice presidents does Coupang Korea have? How many Vice Presidents?

(Coupang CEO Harold Rogers) (Original statement) In Coupang... Inc., or Coupang Korea?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) In Coupang Inc. or Coupang Korea?

(Rep. Kim Hyun) No, no. Korea. Just Coupang Korea.

(Coupang CEO Harold Rogers) (Original statement) I don't know.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don't know.

(Rep. Kim Hyun) "I don't know." I see.

So, Korea, our TF... Deputy Prime Minister Bae Kyung-hoon, this is the current state of Coupang. It's not just about the hacking issue; you're the Deputy Prime Minister in charge of social affairs, aren't you? You coordinate and oversee multiple ministries during inter-agency meetings under the Prime

Minister's Office, right? Aside from the TF, which specific ministries are under your purview?

(Deputy Prime Minister Bae) We are discussing matters with the relevant ministries through the MSIT Minister's meetings.

(Rep. Kim Hyun) Which ministries are those?

(Deputy Prime Minister Bae) Fourteen ministries, the competent departments, are participating.

(Rep. Kim Hyun) You need to handle this properly. Coupang is, more than we thought... we've been doing this yesterday and today, and after the current affairs inquiry at the Science, ICT, Broadcasting and Communications Committee and then the hearing, they fired former CEO Park Dae-jun as soon as the inquiry ended, didn't they?

And [he is someone] who doesn't know Korea... When asked why he came here, he is the one who said, "I'm happy." When asked where Kim Bom-suk is, he replied, "I'm so glad to be here," giving evasive, nonsensical answers. By seating such a CEO here, they are mocking the Republic of Korea. Then, do you think they'll cooperate with government requests? You saw it today, didn't you? They won't cooperate. You need to handle this well. If Korea doesn't act shrewdly, Kim Bom-suk, Rogers, and those Vice Presidents—whose number they say they don't know—will continue to act in this manner. So, I'm telling you, you need to handle this properly. I'll wrap up here. Small business owners...

(Chairperson Choi Min-hee) Give her 3 more minutes. (Inaudible)

(Rep. Kim Hyun) Oh, really? Then what should I do?

(Chairperson Choi Min-hee) Go ahead.

(Rep. Kim Hyun) Regarding measures to protect small business owners, KTOA President Kim Hong-min, you've worked hard yesterday and today—please come forward. During the previous hearing, you shared the disadvantages you've suffered from Coupang and requested system improvements. Today, the relevant ministries, especially the Vice Minister of SMEs and Startups are here. I understand that there are many tasks related to this. So please provide your statement on what specific measures should be taken to improve the system.

(Korea Mail-Order Business Association President Kim) Thank you for giving me the opportunity to speak. It is Coupang, the rage-inducing mail-order business operator. Yet, Coupang is also one of the mail-order business operators I must cherish and love. So, as the President of the Korea Mail-Order Business Association, I have prepared a few remarks.

On the 17th, and again yesterday and today, we—along with the entire nation—are watching this pathetic parade of "slippery law-dodgers" from Coupang who have shown a truly miserable level of incompetence. The answer is: please make it into law. You must create the law. And please, make sure the law is enforced strictly.

First, during the 21st National Assembly, we worked toward enacting the Online Platform Act, with various forms of help from activists of People's Solidarity for Participatory Democracy and Rep. Kim Nam-geun, who is here today. At that time, we visited the Busan Sasang-gu office of the late Rep. Jang Jae-won, who was then Executive Secretary of the Strategy and Finance Committee and ran away. During the 21st National Assembly, we also visited the office of Yoon Han-hong of the People Power Party in Changwon, who was then Executive Secretary of the Trade, Industry, Energy, SMEs, and Startups Committee and is now the Chairperson in the 22nd National Assembly, to advocate for

the Online Platform Act. But yesterday and today, just as it was back then, we see none of that. The People Power Party, which fails to show the power of the Republic of Korea; I am worried that they might be a friend or a subsidiary of Coupang.

Does Coupang also need conservative and progressive sides? Surely this isn't the result of Coupang's government relations efforts, isn't it? While feeling very regretful, we have heard something like this on a comedy program before. It was a line that delivered a stinging rebuke to a boss who mistreated foreign workers. We all probably remember that line. Black-haired American Bom Kim, and Mr. Rogers, the figurehead CEO who stubbornly insists he's the CEO of the Korean corporation—"Boss, you are bad."

Chairperson, Mr. Rogers promised right here during the last hearing that he would provide compensation to the sellers. Why is the KRW 50,000 per person coupon event for Coupang consumers not being offered to us sellers? And why is no one—absolutely no one—raising an issue about this? I request an answer as to when and how he will fulfill that promise, which is currently not being kept.

Regarding the KRW 20,000 for Travel and KRW 20,000 for R.Lux that they claim to give—won't other companies receiving such suffer damages? Is this fairness? Even if we readily accept what is being offered, the businesses harmed by that can end up mass-producing entirely new types of damages. I previously stated that we, the sellers, raised Coupang by carrying it on our backs. Coupang's remarkable performance today is not a gift of Coupang's innovation, but a very important South Korean collective intelligence—a part of K-culture that no one else in the world can replicate. Rep. Kim Woo-young spoke about it yesterday, and I agree with his expression, "social trust capital." Thanks to trust and safety which have become our cultural public goods, sellers like me could confidently ship packages to consumers. It was because we had the faith that the goods would not disappear. That is why customers were also paying and placing orders in advance.

Even after three days —and I've been here yesterday and today—delivery packages are sitting at my front door. And I'm not worried at all. The reason is that there was a social trust that no other country can ever dare to imitate, and Coupang has simply been piggybacking on that trust. How dare Coupang be so confident that it did everything on its own?

Chairperson, regarding those still selling Rocket Overseas products on Coupang—as I mentioned previously—there are six Coupang subsidiaries in China, Japan, Hong Kong, and the United States that have still not registered as mail-order business operators. I have evidence of this. If you wish, I will submit it to you later.

First, they are violating the E-Commerce Act. I would like to present evidence and file a formal complaint right here. I request that the same legal standards applied to us sellers be enforced upon them as well.

Second, I strongly request that you investigate the order, delivery, and payment status of the products in question. The reality of the products Coupang is selling through 'Rocket Overseas' shows serious circumstances suggesting potential violations of the Customs Act and the Foreign Exchange Transactions Act. As for the specific reasons, I will provide my answers later if the Korea Customs Service or the National Tax Service asks me.

Third, Coupang's shameless PB products—which we call in-house products—must be examined and judged from another perspective. The reason is none other than Coupang's funneling of work to its affiliates; that is, the act of making a specific subsidiary profit by concentrating work on it. I also request that you investigate this under the Monopoly Regulation and Fair Trade Act, which the KFTC must punish.

Additionally, Coupang's illegal, evasive, and unfair practices—such as hijacking ads and algorithm—must be punished properly. There are so many cases that, if given the chance, the additional information I could provide during an upcoming National Assembly investigation would be even greater than what I have shared today. Since time is limited, I will leave you with these brief words as my conclusion.

Why does Coupang's settlement period have to be 70 days? Chairperson, although he is merely a

figurehead CEO, I urge you to demand a reasonable explanation for why they insist on maintaining a 70-day settlement period when a 10-day settlement is also feasible.

To the various officials of Coupang subject to mail order business registration, as an elder who serves as the President of the Korea Mail-Order Business Association, I will conclude my time by daring to offer a piece of advice to a fellow operator in the same industry.

Slamming the table is what we call a complete lack of decency. Raising your voice, shouting, and stubbornly insisting on your claims in front of so many people is what we call the height of disrespectful insolence. I ask that you fix this lack of decency and insolent attitude. Thank you.

(Chairperson Choi Min-hee) Among the things just mentioned, regarding unfair trade practices such as the funneling of work, I assume the KFTC Chairperson has taken note of them.

(KFTC Chairperson Ju) Yes.

(Chairperson Choi Min-hee) Regarding the mail-order business, is it the Korea Media Communications Commission that regulates this? Which agency is it?

(KFTC Chairperson Ju) No. It's an area that falls under our jurisdiction.

(Chairperson Choi Min-hee) Then I assume the KFTC has taken note. As for the issues related to customs, I believe the NTS Commissioner has also acknowledged them.

(NTS Commissioner Lim) Yes, we'll check if it falls under our scope.

(Chairperson Choi Min-hee) Please review that. Then for that part...

(NTS Commissioner Lim) Korea Customs Service.

(Chairperson Choi Min-hee) Yes, Korea Customs Service (KCS). But right now, the KCS is...Vice Commissioner?

(KCS Vice Commissioner Lee) Yes, this is the Vice Commissioner of the KCS.

(Chairperson Choi Min-hee) Vice Commissioner, I assume you've noted the points raised by Korea Mail-Order Business Association President Kim Hong-min that relate to the KCS.

(KCS Vice Commissioner Lee) Yes.

(Chairperson Choi Min-hee) And regarding Coupang's settlement issue—70 days. Is this also under the KFTC?

(KFTC Chairperson Ju) Yes. In our statistics, it actually shows as 52 days...

(Chairperson Choi Min-hee) Coupang? You're saying it's 52 days?

(KFTC Chairperson Ju) Yes, Coupang. The legal limit is 60 days, and Coupang is one of the companies that goes very close to that legal limit.

(Chairperson Choi Min-hee) Generally, how many days does it take...

(KFTC Chairperson Ju) Generally, it's about 30 days on average.

(Chairperson Choi Min-hee) Let's change the law.

(KFTC Chairperson Ju) We plan to change the law. Right now, it's already... (interrupted)

(Chairperson Choi Min-hee) Isn't it with the relevant standing committee? National Policy Committee?

(KFTC Chairperson Ju) Yes, it is. An amendment has reduced the period to half.

(Chairperson Choi Min-hee) I will also speak to the floor leadership to make sure that it is passed as quickly as possible.

And is President Jeong Pil-un of the Korea Internet Law Association here? You came today but haven't had a chance to give any advice, and since I hear you need to leave soon, please give us some advice before you go.

(KILA President Jeong) Watching today's hearing, I feel that many of the concerns I had have been resolved. To decide whether to amend a law, we need to assess the facts and the situation, but it was difficult for me to say what and how to change while those were unclear. However, through today's hearing, my judgment has become much clearer.

I have a few things prepared, but speaking on this matter: First, regarding the issue of personal information breaches, I believe the Personal Information Protection Act needs partial amendment. When corporations and executives fail to take appropriate safety measures, it is necessary to impose sufficient economic disadvantages on the corporations and separate sanctions on the executives. Currently, the Personal Information Protection Act limits sanctions for corporations to 3% of total sales amount, which I believe is somewhat insufficient compared to global standards. Therefore, I hope legislation will raise that limit. As for executives, it seems necessary to have provisions under Article 73 of the Personal Information Protection Act to enable sanctions against them.

To mention another point that has become clear through today's hearing, we could see that this is not only a matter of personal information breaches, but that information security—namely security—is one of the essences of this problem. Therefore, separate from the Personal Information Protection Act, I believe it is necessary to amend the Act on Promotion of Information and Communications Network Utilization and Information Protection (Network Act). If you need more details on that, I will report back next time. Thank you.

(Chairperson Choi Min-hee) Professor, thank you so much for staying with us for such a long time. And as for the remaining part, regarding the Network Act and information security, there are already amendments to the Network Act that have passed the Science Broadcasting Committee. You are aware of those, right?

(KILA President Jeong) Yes, I am aware.

(Chairperson Choi Min-hee) If there are additional matters that require legislative amendment, please share them with the Executive Secretary's office—the office of Executive Secretary Kim Hyun—or my office, and we will share them.

(KILA President Jeong) I will do so.

(Chairperson Choi Min-hee) Thank you, Professor.

Regarding the advice on Personal Information Protection Act, I noticed Rep. Kim Nam-geun working hard taking note, so I will leave that in his capable hands. Now, out of my 10 minutes, I have given 2 minutes to Rep. Lee Joo-hee. Since I am going to use an additional 3 minutes and not going to be doing the follow-up questioning later, I have a total of 11 minutes available to me. I will use one minute of that time to ask questions to the FSC Chairman, and for the remaining time... We are joined today by Kim Jun-ho, the whistleblower on the Coupang CFS blacklist. Are you present?

(Kim Jun-ho) Yes. I am.

(Chairperson Choi Min-hee) You are here. And is Mrs. Park Mi-sook still here? Yes, she is. And Professor Kim Seung-joo, are you here?

(Professor Kim) Yes.

(Chairperson Choi Min-hee) I see. Since you have all been here for a long time without an opportunity to speak, I will allocate one minute to the FSC Chairman, and spend the remaining time as 3, 3, and 4 minutes. I will give 4 minutes to Professor Kim Seung-joo. For the other observers—Park Mi-sook and Kim Jun-ho—I will give each of you 3 minutes. Three minutes is not a short time.

(Chairperson Choi Min-hee) First, please put up the screen. (Referring to the screen) FSC Chairman, have a look at this, please. You see, this is how much Coupang has been borrowing. Their loans from domestic financial institutions amount to KRW 1.1784 trillion. They say Coupang is a foreign company, right? Why is a U.S. company borrowing and using so much of our nation's money? Were you aware of this?

(FSC Chairman Lee) Yes.

(Chairperson Choi Min-hee) However, the interest rates—the loan rates—cannot be identified. But among them, the minimum is reportedly said to be 3.7%. When did... I will formally request documentation on this. Regarding the KRW 450 billion loan from the Korea Development Bank—please review when Coupang borrowed it and at what interest rate they have been using it until now. I ask for that data.

(FSC Chairman Lee) We will do so.

(Chairperson Choi Min-hee) I was so shocked that I simply cannot accept it.

(FSC Chairman Lee) We will make sure to do that.

(Chairperson Choi Min-hee) And yet, how can they charge small businesses 18.9%? After lending them just a bit of money? I'm talking about Coupang. What kind of predatory company is this? Currently, it is KRW 1.1784 trillion in loans, and 41% of that is from the state-run bank. I'll stop here. You may go back to your seat now.

I'll give 3 minutes to Kim Jun-ho, the blacklist whistleblower. Then, 4 minutes to Professor Kim Seung-joo.

(Kim Jun-ho) Hello. I am Kim Jun-ho, the public interest whistleblower who exposed Coupang's blacklist. Before coming to this hearing, I was questioned today by the Standing Special Counsel Investigation Team on the case of Coupang's unpaid severance pay. Vice President Lee Jae-gul here might know very well why the special counsel investigation team was questioning me.

The special counsel investigation team told me that there's a lot to investigate. Based on what I heard of Coupang's position during the probe, they were lying to the special counsel just as they are still lying here at this hearing. Seeing this, I was absolutely shuddering with rage.

Vice President Lee Jae-gul, I have one question. You filed a criminal complaint against me with the Gyeonggi Southern Police Agency, accusing me of being an industrial spy. But why did you later withdraw that complaint? Ultimately, wasn't it filed for the purpose of suppression and to silence me?

Since the PIPC Chairperson and the NPA Acting Commissioner General are here, I want to ask a question. Coupang's blacklist involved the unauthorized collection, registration, and management of personal information of union leaders, union members, workers, and journalists covering the National Police Agency. It was even used to block employment opportunities. And it was stored on Coupang's server, not the Coupang Fulfillment Services' server, and was managed through sharing with the Fulfillment Services.

Initially, the police told me this was not a violation of the Personal Information Protection Act. How can collecting and managing the personal information of so many people without their consent not be a violation of the Personal Information Protection Act? The case is still under investigation. I urge the government to step in and ensure this process moves forward swiftly.

There is one thing I would like to receive a direct apology for from Coupang here. Because Coupang announced that they filed a criminal complaint against me for being an industrial spy, I was ultimately branded as one. I want a direct apology from Coupang for that.

Coupang is likely claiming once again that the industrial accident response manual is an unauthorized document. During the blacklist incident, they also claimed that the document was unapproved and that they had no knowledge of it, only to eventually express regret at the hearing.

I can no longer trust Coupang's words. Representatives, I ask you: Please ensure that the repeated lies Coupang tells at every time at the National Assembly investigations are brought to light. Thank you.

(Chairperson Choi Min-hee) There's 23 seconds left. Pause the timer. You want an apology from Vice President Lee Jae-gul, correct?

(Kim Jun-ho) Yes, that's correct.

(Chairperson Choi Min-hee) The apology...please stand up. Is this true? Is it a fact that you filed a complaint against him for being an industrial spy and then withdrew it?

(VP Lee Jae-gul) This is not within my responsibility, so I'm not aware of that.

(Kim Jun-ho) You are the VP of Legal, and you don't even know this? Coupang filed a complaint against me under the Unfair Competition Prevention and Trade Secret Protection Act. (Mic off)

(Chairperson Choi Min-hee) You must speak into the microphone.

(Kim Jun-ho) You are the VP of Legal Affairs at Coupang, and you don't even know this? Coupang sued me for violating the Unfair Competition Prevention and Trade Secret Protection Act, essentially accusing me of being an industrial spy. But you dropped the lawsuit during the hearing. Isn't this ultimately a retaliatory lawsuit?

(Chairperson Choi Min-hee) So are you saying you don't know?

(VP Lee Jae-gul) Yes, I am not well aware of it.

(Chairperson Choi Min-hee) You should be ashamed of yourself; please sit down. It seems he won't apologize.

We will definitely include this as an item during the National Assembly investigation.

(Kim Jun-ho) Yes, thank you.

(Chairperson Choi Min-hee) And regarding this, the Ministry of Employment and Labor.

(MOEL Minister Kim) If the purpose of creating the blacklist was related to labor unions, it appears there may also be unfair labor practices. We will examine it strictly.

(Chairperson Choi Min-hee) Next is Ms. Park Mi-sook. Ma'am, as we fully empathize with your feelings and stand with you as we discussed yesterday, these 3 minutes right now are very precious. So please say what you wish to say to the public and to the Minister and others present here within 3 minutes.

(Park Mi-sook (bereaved family)-observer) I understand. First, thank you so much for giving me the opportunity to speak.

And this is really the last time I earnestly request once again: Please file a complaint for perjury against former CEO Park Dae-jun and current CEO Rogers, who committed perjury regarding the concealment of Deok-jun's industrial accident. I strongly urge you one more time.

For the past five years, we have always come here with hope, only to return home in disappointment. I am very grateful that today, I can return home with hope once again.

Lastly, I would like to ask Mr. CEO Rogers a question. This is my son. My son. Do you happen to not have children, Mr. CEO Rogers? Do you not? So... this...

(Coupang CEO Harold Rogers) (Original statement) No, I do have children.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have children.

(Park Mi-sook (bereaved family)-observer) This is my son in the video you just watched so intently. Did you really not order the concealment of the industrial accident regarding the scene where my son worked? Were you not involved in any way?

(Coupang CEO Harold Rogers) (Original statement) I did not and I'm so sorry for your loss.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I did not do so. I express my deepest condolences regarding this matter.

(Park Mi-sook (bereaved family)-observer) I desperately hope that the truth will be revealed this time. And I earnestly hope that there will never again be so many workers collapsing and dying at Coupang. That is all. Thank you.

(Chairperson Choi Min-hee) You mentioned that for five years, you came here with hope but always returned in disappointment. We will do our utmost to ensure that does not happen this time.

(Park Mi-sook (bereaved family)-observer) Thank you.

(Chairperson Choi Min-hee) And above all, I believe Minister Kim Young-hoon shares the same view.

Professor Kim Seung-joo, you have waited a very long time. Now... I can give you 4 minutes and 30 seconds. I am giving you 4 minutes and 30 seconds, and you have been with us throughout this process.

Please provide a summary of your comprehensive advice for us and for the many responsible officials from government ministries present here.

(Professor Kim) First of all, from the SKT hacking incident hearing until now, it seems that I have been coming to the National Assembly for about half of this year.

Initially, I attended as an advisory committee member regarding information security and spoke continuously about that. However, while attending yesterday's and today's joint hearing, as one Representative mentioned earlier, I feel like I have studied the various contradictions of the Republic of Korea in a compressed manner over these two days. On the other hand, I realized that I only knew about information security and knew too little about society. So, as a professor, I felt a bit ashamed.

Since you gave me the opportunity, let me mention a few things. The conclusion of this Coupang case is very important.

The reason is that there have been various hacking incidents this year, and for some companies, conclusions have already been reached to some extent, and punitive fines and various other measures have been imposed.

If, in comparison with those other companies, there is a lack of fairness in how Coupang is treated, that could set a very bad precedent. And if the disparity is too great, most domestic companies would be inclined to seek listings overseas. Such unreasonable outcomes must never be allowed to happen.

Second, while watching the joint hearing yesterday and today, I came to see that the Personal Information Protection Act can be misused like this. Until now, when we have discussed legislation, our focus has mainly been on preventing the abuse of the Personal Information Protection Act. But seeing how it operates when placed in the hands of a corporation, I came to see that it can even become a weapon.

So, since that is not a technical area, it might be difficult. But I thought that we could perhaps gather our wisdom to prevent the Personal Information Protection Act from being misused and used as a tool for silencing people.

Third, in the field of information security, there is a concept called a 'single point of failure.' This refers to a single failure point that, if compromised, can paralyze an entire organization or even a nation.

Currently, foreign countries tend to view the entire country's single point of failure and cyber security together.

Because they view these things together, they try to prevent monopolies from occurring and consider various legislative bills. However, it seems we have not looked into where the single point of failure of our country, the Republic of Korea, actually is, and what kind of attention we need to pay to that point until now.

Therefore, we need to identify which entities in Korea are providing services that constitute the nation's single point of failure — which companies, and which telecommunications providers fall into that category. I believe that for such entities, we must establish separate legislation related to cyber measures and risk management.

Lastly, let me add one more point. As I understand it, the Science, ICT, Broadcasting, and Communications Committee spent a lot of money to set up simultaneous interpretation devices for this hearing. And the interpreted audio must have been recorded. I believe the video recordings of the joint hearings from yesterday and today should be shared with English subtitles. Going forward,

the Public–Private Joint Investigation Team will continue to issue interim reports. Until now, those reports have been provided only in Korean. I believe that future announcements should also include English subtitles so that the international community can access them as well. This is because one of the major issues raised during the hearings was the inconsistency between materials circulated domestically and those used internationally, which has led to various problems. In that context, it would be highly beneficial for government-issued materials—materials that carry institutional credibility—to be shared overseas with English subtitles provided by an authoritative body. That is all.

(Chairperson Choi Min-hee) Thank you. Coincidentally, Senior Secretary Lee Kyu-yeon from the Blue House made an important announcement today. He stated that they would disclose all decisions made in meetings by 47 ministries through KTV. And since this is a very important matter for the Ministry of Science and ICT, we will look into various ways to ensure it is broadcast on KTV with English subtitles. Thank you, Professor.

We will proceed with additional questioning. The Representatives who have requested additional questioning so far are... Oh my, I lost the list... there are many.

Rep. Lee Hai-min, Rep. Jung Il-young. Rep. Jung Il-young first. Let me start over. Rep. Jung Il-young, Rep. Lee Hai-min, Rep. Lee Joo-hee, Rep. Kim Nam-geun, Rep. Oh Gi-hyoung, Rep. Yeom Tae-young, Rep. Son Myung-soo, Rep. Park Hong-bae, Rep. Lee Yong-woo, Rep. Kim Young-bae.

(Rep. Kim Hyun) (Mic off) Everyone else gets time. Why am I the only one excluded?

(Rep. Noh Jong-myun) (Mic off) Then I'll speak too.

(Chairperson Choi Min-hee) No. I already gave you four minutes earlier.

(Rep. Noh Jong-myun) (Mic off) In the chaos, you didn't even ask our opinion...

(Chairperson Choi Min-hee) No, I did ask for your opinions earlier.

(Rep. Noh Jong-myun) (Mic off) No, I mean additional questioning.

(Rep. Lee Joo-hee) (Mic off) Chairperson, I will withdraw.

(Chairperson Choi Min-hee) No, I only gave two minutes...

(Rep. Kim Hyun) (Mic off) Let Rep. Noh Jong-myun speak.

(Rep. Noh Jong-myun) (Mic off) Just two or three minutes...

(Chairperson Choi Min-hee) I will give everyone three minutes each.

And Rep. Hwang Jeong-ah needs to come quickly. Rep. Hwang Jeong-ah. We need members present to proceed with the vote.

(Rep. Kim Nam-geun) (Mic off) The additional time was five minutes. Why is it suddenly three?

(Rep. Kim Hyun) (Mic off) Go ahead and take five minutes. Since Rep. Kim Nam-geun came in as a replacement member, he should be given five minutes.

(Rep. Kim Nam-geun) (Mic off) I didn't have additional time earlier.

(Rep. Jung Il-young) (Mic off) There are many replacement members here as well.

(Rep. Kim Hyun) (Mic off) Take five minutes.

Chairperson, please give everyone time. At this point...

(Chairperson Choi Min-hee) I will give Rep. Noh Jong-myun two minutes and the rest five minutes.

(Rep. Noh Jong-myun) (Mic off) Yes, thank you.

(Chairperson Choi Min-hee) While holding this hearing, since it is a joint hearing, we get to reflect on ourselves and learn a lot, right? However, today is December 31st. So, I hope you ask your questions as concisely as possible and that we finish not too late, Representatives.

Since Rep. Hwang Jeong-ah is not present, we will start with Rep. Jung Il-young for 5 minutes. I will not grant additional time. Please finish exactly within 5 minutes.

(Rep. Jung Il-young) I'll take five minutes and wrap this up on time.

As we conclude two days of the hearing, let me read an editorial from today's newspaper:

"The National Assembly should stop this comedy of a hearing put up by a foreign figurehead CEO and instead conduct an intensive National Assembly investigation. Coupang's Chairman Kim should be designated as the Same Person, and regulations on Coupang must be strengthened. The Korea Fair Trade Commission should begin the process of designating Kim as the de facto controller and ensure Coupang pays an appropriate price.

The most glaring issues are self-investigation, sham compensation, and Coupang's arrogance in claiming it cannot trust Korean authorities and investigators." These are the kinds of statements appearing in editorials.

Of course, we don't take every editorial at face value, but what matters is that our committees members worked hard over these two days. We informed the public of many things with our determination to reform Coupang.

Most importantly, I want to thank the Minister of Employment and Labor, the Chairperson of the Korea Fair Trade Commission, the Acting Commissioner General of the National Police Agency, the Commissioner General of the National Tax Service, and all the other agency heads who attended and contributed over these two days. You have heard a great deal over the past two days, and I trust that you have made commitments and firm resolutions as well. I believe that all of this has come together to make this hearing one that allows the Lee Jae-myung administration to clearly demonstrate meaningful new reforms for the people.

Next comes the National Assembly investigation. As this hearing was broadcast live, we saw countless comments from citizens demanding stronger, faster, and more decisive sanctions and reforms against companies like Coupang. I hope you will lead the way.

As I mentioned earlier, the reason Coupang acts so arrogantly and recklessly is because people in Korea feel they can't live without Coupang—there's no alternative. If this were about ordinary goods, consumers could easily boycott the company.

But now, we're in a situation where people can't simply abandon Coupang. That's why we need measures for fair platform competition: Automatically designating Coupang and similar dominant market players as market-dominant enterprises; Prohibiting abuse of superior bargaining position; Supporting new platform development and creating the next Coupang through tax incentives, reduced logistics infrastructure costs, and credit guarantees;—and importantly—Strengthening protections for small sellers; Limiting economically dependent relationships; Mandatory disclosure and written documentation of margin-rate contract terms. I hope the ministers and the government will actively pursue these initiatives.

And most importantly—something I’ve been emphasizing repeatedly—Coupang, the more we dig, the more it turns out to be a completely dysfunctional company. Honestly, I find it to be an utterly frustrating, disappointing, and exploitative company. What do I mean by exploitative? Squeezing advertising fees from small and medium-sized suppliers; Hijacking popular products; Forcing down supply prices; and Overworking delivery workers. All of this must be corrected.

And then, the revenue Coupang earns here in Korea—what happens? It gets funneled into IT, legal/management consulting, and platform brand-usage fees, allowing Coupang Inc. to extract enormous profits. The money squeezed out of Korean businesses in such an unreasonable way is sent to the United States, where it is then used for lobbying.

Chairman Kim Bom-suk, the crooked ultimate owner. The National Tax Service has already drawn its sword—so conduct a thorough tax audit etc. and refer him to the prosecution for charges such as tax evasion, so that the matter can be fully investigated by the prosecutors.

I see someone here from the Korea Customs Service. Looking at customs data, personal customs clearance codes suddenly surged by about 600 times when the Coupang incident broke out. Doesn’t that show how anxious the public is, Vice Commissioner of the Korea Customs Service? Right?

(KCS Vice Commissioner Lee) Yes, that’s right.

(Rep. Jung Il-young) That’s why we need to reassure the public and handle this properly.

And many Members have spoken about the various forms of overwork by delivery workers. One tip I received shows that Coupang commissioned a PR specialist firm, some place called Macoll Consulting, to produce results favorable to Coupang. In other words, to publish claims like “delivery workers are doing fine.” (Mic off) Coupang must not engage in such behavior. Do not deceive the public through lobbying, manipulation of public opinion, and the suspension or reduction of media sponsorships and advertisements, as I mentioned yesterday.

That is all.

(Chairperson Choi Min-hee) Thank you. Rep. Lee Hai-min, please proceed.

(Rep. Lee Hai-min) VP Lee Jae-gul, please come forward. While you do, I’m Lee Hai-min from the Rebuilding Korea Party.

Earlier, Rep. Jung Il-young mentioned alternatives to Coupang for consumers. I’ve posted a QR code on my personal social media—this isn’t my own work, but a compilation of survey responses from citizens over the past three days. Please take a look later.

Now, VP Lee Jae-gul, I didn’t get a clear answer earlier, so I want to ask again. Please look at the slide.

Coupang amended its terms and conditions on November 5, 2024. Specifically, on November 5, 2024, the company added a disclaimer stating: “it would not be liable for any damages arising from any unauthorized access by third parties, or for any damages caused by viruses or malicious software.”

What this means, in short, is that Coupang would not take responsibility for any damages caused by illegal access, hacking, or malicious software of any kind. After this provision was pointed out as an issue, the company hurriedly revised its terms on December 26 and removed that language. You already acknowledged earlier that it was deleted. But I’m not here to hear you say that you changed

it because someone told you to. That's all you kept repeating a moment ago.

My question is this. The terms revised on December 26 — in other words, the terms from which that disclaimer clause was removed. But what we are talking about are the things that happened in the interim, between November 5, 2024 and December 26, 2025. My question is whether the revised terms apply to this incident that was reported on November 19. Answer the question.

(VP Lee Jae-gul) The clause that was deleted should be read together with the following clause, Clause 8. Clause 8 clearly states that the company is not exempt from liability in cases where there is intent or negligence on the part of the company. So even if that clause existed, the company would still be liable if there was intent or negligence. And now that Clause 7 has been removed, the interpretation remains the same. If the company acted with intent or negligence, the company is still liable.

(Rep. Lee Hai-min) Then why did you include it in the first place? Why was it added on November 5, 2024?

(VP Lee Jae-gul) Please consider it a standard clause.

(Rep. Lee Hai-min) Are you saying that's a standard clause? A clause stating that in the event of a security breach or a personal data leak, you will take no responsibility—is that considered standard?

(VP Lee Jae-gul) It is a clause stating that the company is liable when there is intent or negligence.

(Rep. Lee Hai-min) PIPC Chairperson, is that a standard clause?

(PIPC Chairperson Song) No, that's not correct.

(Rep. Lee Hai-min) Well... earlier we looked at the loan slide—you may go back to your seat. The point is, Coupang must now take responsibility.

For all damages caused by illegal third-party access. When I saw that loan status slide, what came to mind was that Coupang has been dancing on the edge all this time—taking risky steps—and now everything that's been piling up seems to be exploding at once.

And CEO Rogers, earlier you said you could check the visa type. Quite a bit of time has passed. Please let me know now.

(Coupang CEO Harold Rogers) (Original statement) I've been advised not to say that publicly, but I'll provide it to your office.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I'd been told not to say it publicly, I'll provide it to your office.

(Rep. Lee Hai-min) I honestly don't understand this. This isn't supposed to be some kind of secret... You previously told me that you were on a work visa. I'm asking this to determine whether that answer was perjury or not.

(Coupang CEO Harold Rogers) (Original statement) It's very easy to get this answer. I'll provide it to your office.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) It's very easy to give you the answer.

We'll provide it to your office.

(Rep. Lee Hai-min) A few hours ago, you said you could answer that immediately.

(Coupang CEO Harold Rogers) (Original statement) I'll provide it to your office.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We will provide it to your office.

(Rep. Lee Hai-min) Please provide it right now.

And regarding this matter, earlier I mentioned the Ministry of Foreign Affairs and the Korea Customs Service, but visas fall under the jurisdiction of the Ministry of Justice. So it should be the Ministry of Justice and the Korea Customs Service. Please identify the visa types of the 170 or 140 personnel who were dispatched, determine when they obtained their visas, and confirm where they paid their taxes.

And regarding the government's task force, I consider the TF's activities extremely important. The Deputy Prime Minister has a significant role to play, and I believe this is an opportunity to fully leverage all of your expertise. That's why I think it would be ideal for us to proceed with our discussions while reviewing the materials produced by the TF. For the forthcoming National Assembly investigation to be substantive, the materials from the TF and the investigation we are about to undertake need to move forward together. So, Deputy Prime Minister, I would like to suggest that we coordinate the timing and have the National Assembly investigation and TF proceed in parallel.

(Deputy Prime Minister Bae) Yes, I'll do that.

(Rep. Lee Hai-min) I would appreciate it if you could provide the visa information right now. If they are working without a proper work visa, that is also illegal. You saw what happened in Georgia, didn't you? If these 140 or 170 people are here without the appropriate work visas, the same thing could happen again. I'm asking you this because you previously told me you were on work visa. You must have said that because you had grounds for it. And if you gave that answer without knowing, that is perjury. Chairperson, my time is almost up. I would like to receive the information before we wrap up. That's all.

(Chairperson Choi Min-hee) We will be conducting a National Assembly investigation. Therefore, we will organize all the points raised so far and take measures to ensure they can be verified during the investigation. Regarding that clause, it is clearly unfavorable to consumers. While a 30-day notice period is required, that clause was created for only a 7-day notice. Rep. Lee Joo-hee, please begin your inquiry.

(Rep. Kim Young-bae) The visa information was required...

(Chairperson Choi Min-hee) No, we will handle it this way. You said you would call the office of Rep. Lee Joo-hee. Ah, it's Lee Hae-min... You said you would call. There is no need to call. The aide is right there, so please just whisper it to the aide. Whisper it. Tell them in a whisper right now. Rep. Lee Joo-hee, please proceed with your questioning.

(Rep. Lee Joo-hee) Let's first look back at the tip-off message we saw earlier. We will look at it some more. Witness Rogers, it was reported that in August 2020, ahead of the KFTC investigation regarding Coupang's abuse of power against LG H&H, 329 emails containing core evidence, such as the status of price matching, were deleted. Is this true? Please answer briefly.

(Coupang CEO Harold Rogers) (Original statement) My understanding is that these documents come from an executive who was terminated. They have not been authenticated.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) This document was provided by a terminated executive, and its authenticity has not been verified.

(Rep. Lee Joo-hee) You truly keep repeating the same words.

(Coupang CEO Harold Rogers) (Original statement) But we do not delete documents illegally if that's gotten authentication.

Interpretation not provided

(Rep. Lee Joo-hee) That it was done by a terminated employee, that the authenticity hasn't been determined." You continue to make such statements.

This destruction of evidence was carried out under the instructions of Gaurav and Bom meaning Kim Bom-suk, correct? This slide, the content of this message, is additional evidence regarding the reports. Let's see.

Sophia from the legal team requested the deletion of emails to prepare for the KFTC audit. A total of 392 emails from both the sent and received inboxes will be deleted. It is okay to proceed." And when asked who selected this deletion list, Coupang's attorney replied that Kim & Chang found all the high-risk emails.

Isn't it the case that the legal advisor went beyond providing a defense and actually took the lead in destroying evidence, which is a criminal act?

Was it really the Kim & Chang attorneys, as the message suggests, who ordered the deletion of this core evidence? You probably won't answer, will you?

Chairperson of the KFTC. Coupang deleted 392 pieces of high-risk evidence, and as far as we know, the related case was an issue in the High Court, right?

(KFTC Chairperson Ju) Yes, the cancellation... (Interrupted)

(Rep. Lee Joo-hee) Correct. Yes, the ruling to cancel the disposition was made, which has caused significant issues, and I simply cannot understand the legal reasoning behind it. If this evidence, this additional evidence, had been available, the disposition to impose the administrative fine would not have been canceled. Because the basis for the cancellation was insufficient evidence.

(KFTC Chairperson Ju) Looking at the content of the message now, it appears they intended to delete important evidence.

(Rep. Lee Joo-hee) That is correct.

(KFTC Chairperson Ju) Obstructing the acquisition of evidence is a very serious act of misconduct.

(Rep. Lee Joo-hee) That is correct. Please investigate thoroughly and ensure the substantive truth is brought to light.

(KFTC Chairperson Ju) Yes, we will.

(Rep. Lee Joo-hee) Next, KFTC Chairperson, as we were looking into this, we saw the "2025 Fact-Finding Survey on Sales Fee Rates of Large Retailers." You released it recently, right? However, there is some problem here. I am mentioning this because I really want to point it out.

(KFTC Chairperson Ju) Please go ahead.

(Rep. Lee Joo-hee) The average online sales incentive rate is set at 3.5%, right? The third box.

(KFTC Chairperson Ju) Yes.

(Rep. Lee Joo-hee) Coupang was tallied at 3.73% in the top box, which is slightly above that average. Visually, it doesn't look like much of a difference, does it? And according to the announcement, it makes it look as if Olive Young is extremely high at 6.26%.

(KFTC Chairperson Ju) It does appear so.

(Rep. Lee Joo-hee) But the entire nation knows this. Olive Young is not an online-focused retailer.

(KFTC Chairperson Ju) Yes, offline.

(Rep. Lee Joo-hee) They are an offline retailer. And now look at the very last box at the bottom. 6.76%. They are effectively applying the offline store percentage almost as-is to the online stores.

(KFTC Chairperson Ju) I see. I understand.

(Rep. Lee Joo-hee) So you really need to check this. This is truly the "pitfall of averages." SSG.com and Kurly are only at 0.22%. Look at the second and third rows. Compare Coupang with these companies whose core business is online.

(KFTC Chairperson Ju) The discrepancy is quite large.

(Rep. Lee Joo-hee) It is a 15-fold difference. This must be corrected.

(KFTC Chairperson Ju) I understand. We will review the statistics and take action.

(Rep. Lee Joo-hee) And going forward, the KFTC should not release reports in this manner.

(KFTC Chairperson Ju) I apologize.

(Rep. Lee Joo-hee) What meaning does a simple average even have in this context?

(KFTC Chairperson Ju) Yes, I understand.

(Rep. Lee Joo-hee) Please review everything thoroughly and meticulously.

(KFTC Chairperson Ju) Yes.

(Rep. Lee Joo-hee) Lastly, since we're short on time, and our KMCC Chairperson Kim, you have waited for a long time. From the Science and Technology Committee's perspective, the very detailed supplementing follow-up work of KMCC is extremely important right now. For example, citizens are worrying continuously about secondary damage after the accident, such as spam, and phishing, those coming through with Coupang as the medium. Have you assessed the current situation on this?

(KMCC Chairperson Kim) Yes, we've been continuously conducting fact-finding investigations, and on Monday, I personally visited the Korea Internet & Security Agency, which handles technical operations, to check the situation. Fortunately, significant spam damage has not yet been confirmed.

(Rep. Lee Joo-hee) Chairperson, I'll give you some time at the end. Please make sure to thoroughly check that part.

And another ongoing concern—many members have pointed this out. Account withdrawal, why is it so difficult? It is really difficult to withdraw from Coupang. I don't even know if I've successfully withdrawn from Coupang or not. I tried but hit the wall during the process. Complaints about this must be coming in continuously. This absolutely needs to be corrected in cooperation with the Fair Trade Commission.

(KFTC Chairperson Ju) We've investigated that and have already ordered them to make the changes quickly.

(Rep. Lee Joo-hee) Can I have a bit..(Audio Overlap)

(Chairperson Choi Min-hee) No, no.

(Rep. Lee Joo-hee) (Mic off) Then I would like to speak with the chairperson on one last thing.

(Chairperson Choi Min-hee) No, you can't. KFTC Chairperson gave you the same answer. The same answer for a number of times.

(Rep. Lee Joo-hee) (Mic off) To KMCC Chairperson...

(Chairperson Choi Min-hee) KMCC Chairperson Kim, what will you do? (Audio overlap)

(Rep. Lee Joo-hee) (Mic off) How will you proceed explain comprehensively.

(KMCC Chairperson Kim) Regarding payment-related issues, we're working together with the Fair Trade Commission, even though our legal bases differ, to enforce regulations under each authority. As you mentioned, we're continuing investigations and is in the process of confirming regulatory violations after acquiring committee decisions. Also, as I said earlier, hijacking ads are causing serious problems for people's livelihoods. I believe this could become the No. 1 case for the committee once it's fully constituted.

(Chairperson Choi Min-hee) Rep. Lee Hai-min, I'll give you one minute. Go and hear him out now. Right now. There's no need to drag this out or make calls later. Now.

(Rep. Kim Nam-geun) KFTC Chairperson is practically half out of his mind right now, after handling things in such a lax manner.

(Chairperson Choi Min-hee) I gave the answer to that: what consumers want is simple. If they go to Coupang, there should be a clear withdrawal section under this situation. Click "Withdraw," and then it should proceed smoothly. You should guide them to make it like that.

I personally struggled so much with the withdrawal process that I failed, and my junior secretary had to do it for me because I was so frustrated and even then, struggled, but eventually succeeded.

(Rep. Lee Yong-woo) (Mic off) A pop up window.

(Chairperson Choi Min-hee) Yes, so, you need to add a pop-up saying, “Withdraw here.” That’s how you should do it.

(KMCC Chairperson Kim) Chairperson, regarding that, let me add that we’re not only addressing Coupang but also reviewing the top 40 online platform operators. We’re emphasizing that making withdrawal procedures as easy as sign-up is crucial for establishing fair market order, and we’re currently conducting inspections.

(Chairperson Choi Min-hee) Yes, so you want to say the KMCC is working to ensure fairness among businesses, right?

(KMCC Chairperson Kim) Yes.

(Chairperson Choi Min-hee) Rep. Lee Hai-min, did you hear the answer?

(Rep. Lee Hai-min) (Mic off) Yes.

(Chairperson Choi Min-hee) Was it a satisfactory answer?

(Rep. Lee Hai-min) (Mic off) I am checking on the working visa right now.

(Chairperson Choi Min-hee) Here’s what we’ll do, Rep. Lee Hai-min. We’re going to refer everything to the National Assembly investigation. At that time, why don’t you conduct a more thorough review then.

(Rep. Lee Hai-min) (Mic off) I will.

(Chairperson Choi Min-hee) Rep. Yeom Tae-young? Hold on—sorry, Rep. Kim Nam-geun. There’s been multiple changes in the Os and Xs in the list. Rep. Kim Nam-geun, you may begin your questions.

(Rep. Kim Nam-geun) Please hold on while my aide pulls up the presentation... Mr. Roh Jae-guk, Head of Logistics Policy at Coupang, please come forward.

I am Kim Nam-geun from Seongbuk-gu Eul, Seoul. Earlier, you stated that Coupang is participating in the social dialogue aimed at preventing overwork among package delivery workers, correct?

This dialogue addresses three key agenda items. First, the 2021 social agreement—Coupang did not participate at that time. Will you now commit to implementing it?

Second, will you reduce holiday work? The Lunar New Year season is coming, and delivery volumes nearly double during the Lunar New Year season. Deaths from overwork are also at the highest because of that. Last Chuseok, a worker even died from overwork. So, can you provide at least one or two days off during such peak periods?

Third, the most important agenda is the measures to prevent overwork deaths during night deliveries. Coupang’s one, two, three – three shifts for night delivery system has been associated with numerous fatalities. MOEL commissioned a study, and groups of industrial physicians jointly delivered the research output, recommending about four solutions to address this issue, to prevent overwork during nighttime. So, the question is, will Coupang fully implement these measures? These are the three agenda items. Overall, is Coupang willing in carrying these out?

(Head Noh Jae-guk, Logistics Policy) Let me explain briefly. We did not participate in the first and second rounds of the social dialogue, but among the agreements reached at that time—not all, but

many—we have agreed on those points with our agencies, reflected in the contracts and ...
(Interrupted)

(Rep. Kim Nam-geun) So, having agreed, you are confirming that you will now implement it, correct? You will fulfill that commitment, right?

(Head Noh Jae-guk, Logistics Policy) Since not all conditions are identical, many have already been reflected in the contracts, but for some issues, there are differences between package delivery companies... (Interrupted)

(Rep. Kim Nam-geun) So you will implement what's in the contracts, right?

(Head Noh Jae-guk, Logistics Policy) Yes. For example, already... (Interrupted)

(Rep. Kim Nam-geun) Okay, so you'll do it. Let me go through these one by one. This could be an important touchstone.

Many people are leaving Coupang. Some consumers say they'll leave while others say that Coupang needs to be fixed. They cannot leave Coupang and want to keep using Coupang because of the convenience, but they don't want to keep using Coupang as it is, Coupang needs to be corrected, Coupang needs to be fixed. You're aware of this sentiment, right? That things cannot go on like this—that Coupang's current model is unsustainable?

(Head Noh Jae-guk, Logistics Policy) As you mentioned last time, earlier this year, things you remarked at Euljiro Committee, ... (Interrupted)

(Rep. Kim Nam-geun) No, don't go off topic. You know this, right?

(Head Noh Jae-guk, Logistics Policy) Yes, we've heard many such comments.

(Rep. Kim Nam-geun) First, let me ask. The 2021 social agreement had three key points. First was 60 hours per week. Next was no more than 12 hours of work per day. However, recent compliance checks revealed that many Coupang sites exceeded these 60 hours and 12 hours. So, you will now ensure compliance with the 60 hours and 12 hours, even for daytime deliveries. These, you are willing to comply.

(Head Noh Jae-guk, Logistics Policy) CLS already has 60 hours in its contracts and... (Interrupted)

(Rep. Kim Nam-geun) What I am saying is that since the violations were found. You are willing to rectify the violations, right?

(Head Noh Jae-guk, Logistics Policy) CLS is working with agencies to improve these items, and I understand that the efforts are ongoing to improve these areas more.

(Rep. Kim Nam-geun) Secondly, other package delivery companies don't entrust sorting duties to delivery workers. However, Coupang requires package delivery workers to perform "sorting," where two to three, about two to four workers bring packages and the delivery workers sort them. We visited the site for the inspection and observed that this process takes 40 minutes to about an hour. After deliveries, they also collect Fresh Bags, tear them open, and return them—another 40 minutes to an hour. So, other than the delivery works, these are something that other delivery companies do not enforce, and this may significantly be the direct cause of death from overwork. So, as for these, CLS is saying that they will submit an action plan to discontinue these practices, but anyway, this will

also require support from Coupang Corp—such as providing substitute workers—since it will eventually lead to increased costs. So, is Coupang Corp willing to fully cooperate with CLS to implement this?

(Head Noh Jae-guk, Logistics Policy) My understanding is that CLS actually delivered such plan during last Monday's meeting... (Audio overlap)

(Rep. Kim Nam-geun) (Audio overlap) You are discussing it together, right? CLS and Coupang head office? (Audio overlap)

(Head Noh Jae-guk, Logistics Policy) (Audio overlap) Yes, we are aware of these details and CLS's commitment and these are proactively... (Audio overlap)

(Rep. Kim Nam-geun) (Audio overlap) Next, regarding social insurance contributions. In 2021, there were numerous overwork-related deaths, and occupational safety insurance did not cover some workers, so major package delivery companies such as CJ, Lotte, and Hanjin, they agreed to collect about KRW 20 per parcel delivery costs to fund employment insurance and industrial safety insurance for package delivery workers, and it is well implemented. Coupang, however, has not implemented this, and CLS is (Mic off) saying that they can do with head offices' support, if the shipper, which is Coupang head office, supports such insurance premium. What is Coupang head office's opinion? (Inaudible)

(Head Noh Jae-guk, Logistics Policy at Coupang) Chairperson, I would like to briefly explain that point. I fully understand your intention.

(Rep. Kim Nam-geun) (Mic off) You know what it is. So are you willing or not. Are you discussing it with CLS?

(Head Noh Jae-guk, Logistics Policy at Coupang) But, at present...we are aware of CLS' current position. At present, both the delivery workers and the agencies that signed off a contract with them are sharing the burden of social insurance premiums equally in accordance with current laws. (Interrupted)

(Rep. Kim Nam-geun) (Mic off) According to the social agreement, CLS is supposed to bear the costs. And the group of shippers are to support them, but Coupang and Coupang CLS did not participate in that agreement so Coupang head office, the shipper group, is not supporting this and CLS is saying that it is difficult to bear the cost because they are not receiving support from the shipper group. So the key to solving this issue lies with Coupang head office. Coupang head office, just like other shipper groups. Other home shopping companies and Naver are saying that they will do it but is Coupang head office willing to do this.

(Head Noh Jae-guk, Logistics Policy at Coupang) As CLS had commented several times before, during the last social dialogue ... (Audio overlap)

(Rep. Kim Nam-geun) (Mic off) (Audio overlap) So, you do know everything that CLS is saying...

(Head Noh Jae-guk, Logistics Policy) Our understanding is that they received additional KRW 170, and using that to provide funding so that the package delivery drivers may pay the industrial safety insurance and employment insurance.

(Rep. Kim Nam-geun) (Mic off) (Audio overlap) So I am asking if Coupang head office is willing to support this.

(Head Noh Jae-guk, Logistics Policy) That has not been sufficiently discussed yet. Currently, CLS is continuing to explain its position through social dialogue... (Audio overlap).

(Chairperson Choi Min-hee) This is really frustrating. Uh.

(Rep. Kim Nam-geun) (Mic off) (Audio overlap) Social dialogue has been ongoing for about three months at least. So CLS says they will do it if Coupang head office provides support, and the issue is whether Coupang head office is willing to provide the support.

(Head Noh Jae-guk, Logistics Policy) Ah... CLS (Audio overlap)

(Rep. Kim Nam-geun) (Mic off) (Audio overlap) Is Coupang willing to implement the social dialogue?

(Head Noh Jae-guk, Logistics Policy) I cannot comment on that here and what CLS actually means... (Audio overlap) (Interrupted)

(Chairperson Choi Min-hee) (Audio overlap) Wait, no, Representative.

(to Head Noh Jae-guk, Logistics Policy) Stop and step down. Listening to that answer is really frustrating. Why keep dodging when you clearly mean to say you won't do it. Please step down. And... this is frustrating. Representative, keep this matter on the agenda.

(Chairperson Choi Min-hee) Rep. Oh Gi-hyoung, please proceed with your questions.

(Rep. Oh Gi-hyoung) First, I will take 2–3 minutes to address the representatives from Coupang here and those watching the broadcast, and then I'd like to make a proposal to the Chair of the Fair Trade Commission internally on Coupang related improvements for the framework.

Over the past two days, Mr. Rogers has made several statements, and I'd like to explain those. This is also my own opinion.

South Korea does not discriminate between foreign and domestic companies. And even if a company is from overseas, it must be guaranteed procedural rights of defense here in Korea, and of course, we will ensure that. That is a legal right. However, foreign companies operating in Korea cannot be excused for committing crimes simply because they are from the US. If a Korean company commits a crime, it must be punished as well. If a foreign company comes to Korea and offers bribes, there is a U.S. law. It is called the Foreign Corrupt Practices Act, which regulates such actions. It prohibits U.S. companies from giving bribes overseas, and there are also international conventions on this.

Recently in Korea, the standing special prosecutor team has been activated. Standing special prosecutor, because Coupang violated labor laws in Korea, and while violating the labor laws, there was a non-prosecution decision, raising suspicions that they had lobbied the prosecutors.

Therefore, we are investigating prosecutors, Korean public officials. Everyone who had met Coupang is under suspicion.

There were continuous claims that something was done together with NIS staff, but whether it is the NIS or any other public official, anyone who engaged with Coupang should self-check themselves. And then, provide explanations to the public.

Among the statements, Mr. Rogers from Coupang has said there was a so-called joint investigation

with the NIS, but Deputy Prime Minister Bae, the official head of the government investigation team, has repeatedly stated that this explanation is not reasonable. Therefore, I want to reiterate that we remain unconvinced by this unilateral claim.

There is issue with the facts. We will continue to verify the facts. Continue to debate regarding the facts. And if there are any error in the facts, there is no way out. That is the message we have been delivering yesterday and today, over these two days.

While discussing U.S. law, could you please show the next slide? (Referring to the screen) Next slide. There was Enron, a 7th ranking U.S. company in the early 200s. However, due to accounting fraud—specifically involving derivative products related contingent liabilities, and debt, which you’re likely familiar with, on their accounting books—they hid these and eventually went bankrupt. At that time, one of the world’s top three accounting firms, Arthur Andersen, also collapsed. All because of an inaccurate audit report.

Now, regarding Coupang, the responsibility for personal data protection. Potential contingent liabilities may exceed 3.3 trillion. Possibly over 1 trillion. The facts differ on this point. We view this point very seriously. In the U.S., they even dissolved their 7th ranking company in this regard, because it was illegal.

The South Korean government and National Assembly will also rigorously pursue Coupang if it has committed illegal acts. That’s the message we’ve been delivering yesterday and today.

Everyone watching this, and all Coupang representatives here, must face this reality. If Coupang lobbied and there was any misconduct by Korean public officials? Those officials will be accountable too. Anyone who colluded with Coupang will also be held accountable. The process of verifying whether it’s illegal or not will be strict and thorough.

Coupang’s rights will be guaranteed. But we will make every effort to ensure there is no way to evade the responsibility. And this won’t end here—we will conduct a National Assembly investigation. That is the message we want to convey. That has been our message yesterday and today.

Let’s move on to the next page.

Coupang, the monopoly in the dawn delivery market. Is it impossible for Korea to live without Coupang? Are Korean workers employed only by Coupang? I don’t think so. In the history of capitalism and market economies, any monopolistic company can be subject to a divestiture order. Even when a monopolistic company goes bankrupt, the market remains dynamic and sustains its ecosystem.

Businesses other than Coupang can also provide dawn delivery services. Therefore, a monopolistic company may be subject to a divestiture order or face bankruptcy due to class action lawsuits. You need to recognize this reality. Divestiture orders, this is from the U.S. law. Class-action lawsuits are also part of the U.S. system. You have said to comply with U.S. laws, and we intend to adopt systems that exist in the U.S. but not yet in Korea. I propose applying that to Coupang first. That is the message I am delivering. To all Coupang representatives watching this, think about this.

Finally, KFTC Chairperson Ju, Japan and the U.S. have divestiture order systems. Could we also review introducing such systems? Your thoughts...(Audio overlap)(Inaudible)

(KFTC Chairperson Ju) It’s a good idea. I believe... we can review it, and I also think we can consider the option of ordering separation of affiliates.

(Rep. Oh Gi-hyoung) That will be all.

(Chairperson Choi Min-hee) Rep. Yeom Tae-young, please proceed with your questions.

(Rep. Yeom Tae-young) Is NPS Chief Investment Officer (CIO) Seo Won-Ju present? Please come forward. You can stand over there. The amount the National Pension has invested in Coupang Inc., a U.S. corporation, was KRW 218.1 billion as of 2024, and about KRW 291 billion as of May this year. That's roughly 0.45%, are you aware?

(NPS CIO Seo) Yes, that's correct.

(Rep. Yeom Tae-young) How does the National Pension decide whether to exercise voting rights?

(NPS CIO Seo) We make the decision internally based on our own judgment.

(Rep. Yeom Tae-young) I understand that you refer to the proportion of overseas stocks on hand or shareholding percentage when determining voting rights.

(NPS CIO Seo) Yes, that's correct. For overseas stocks, we practically decide on investment and exercise voting rights based on proportion of overseas stocks on hand and shareholding percentage.

(Rep. Yeom Tae-young) However, this company generates most of its sales in Korea so it's difficult to discuss this company in terms of overseas shares ratio, and most people know this as a Korean company. Isn't that right?

(NPS CIO Seo) It is listed on the New York Stock Exchange, but as we explained in the morning, we hold the shares through asset management companies.

(Rep. Yeom Tae-young) So it is difficult to set the standards based on shareholding ratio or proportion of stocks in hand.

(NPS CIO Seo) Yes.

(Rep. Yeom Tae-young) And we should exercise voting rights and influence accordingly as a de facto domestic company or equivalent, correct?

(NPS CIO Seo) We haven't exercised the voting rights after the listing based on current shareholding ratio or proportion rates of stocks on hand. However, this situation appears to be very severe, so we plan to exercise voting rights strongly based on our own judgment and department head's delegated decision-making criteria.

(Rep. Yeom Tae-young) Also in the past, whenever there were issues such as the status of corporate management restructuring, a certain company's unfair practices, non-financial and value-related issues, the National Pension Service has exercised its influence in such cases. You are aware of that, correct?

(NPS CIO Seo) Yes, I'm well aware.

(Rep. Yeom Tae-young) In light of Coupang's personal information leakage, disregard for workers' lives, and even outrageous remarks by Bom Kim including 'Koreans are short-sighted' and 'they are dishonest people' along with non-attendance at the hearing and such, these show that ignoring Korean laws is a norm, and I urge the National Pension to take every possible measure against this company which does not take Korean people seriously.

(NPS CIO Seo) Yes, we consider this situation to be very significant in terms of our funds in investment. We will carry out proper fiduciary responsibly and exercise shareholder voting rights in accordance with relevant regulations and procedures...(Interrupted)

(Rep. Yeom Tae-young) Remember this, if you fail to exert influence on a company that blatantly ignores domestic law and commits perjury repeatedly, as you saw today, even the National Pension will lose credibility.

(NPS CIO Seo) Understood.

(Rep. Yeom Tae-young) You may step down. I visited Coupang's head office last week. All the executives of Coupang head office were there, yet they didn't know Bom Kim and said they never met him. Unbelievable. They also said they didn't know VP Kim Yoo-suk. This also came up today, but the VPs never met VP Kim Yoo-suk and don't know him well. What kind of ghost company is this? Even during today's hearing, it feels like we're talking to phantoms. How can such a company exist in Korea? It's absurd. Moreover, Mr. Rogers seems to think mentioning Bom Kim's name is blasphemy. Will discuss with the board. Isn't Bom Kim the chairman of the board? To me, it seems that he is in a position almost like the absolute supreme lord in North Korea whom must not be named. Am I making too much of it?

While answering today, you continuously commented that you can't understand because it wasn't provided in Korean. So asked to let you read in English. What an audacity. If you need it, you should go and get them translated and provide answers. Telling us to have it ready, such a Gap-jil (power trip). The arrogance of thinking they can do whatever they want at the National Assembly hearing, until when should we let this arrogance go on.

Right now, Bom Kim is probably sitting with lawyers, strategizing how to respond cleverly. Coupang ignores Korean law, mocks and ignores Korean citizens. I believe this company should not be allowed to set foot in this land. We must show the severity of Korean law and the intensity of Korean resolve.

Deputy Prime Minister, a word of clarification on the government's position please.

(Deputy Prime Minister Bae) We take this matter very seriously and fully share your concerns. We will respond proactively.

(Chairperson Choi Min-hee) Rep. Noh Jong-myun, you have 3 minutes.

(Rep. Noh Jong-myun) Thank you. Coupang has recently sparked controversy again over the number of data leaked, saying 3,000 cases were leaked. Our government and the media have maintained a consistent stance that the number is 33.7 million cases. Why is this causing such confusion? I believe this confusion is deliberately calculated and induced. As the honorable Rep. Kim Young-bae pointed out earlier, let's look at that regulation once more. The concept of a leakage as defined by our law is this. Please bring up the presentation deck. (Referring to the screen) When the person processing personal information loses control or allows access by unauthorized person, that situation constitutes a leakage. The crime is already established.

There is no dispute about this. However, Coupang cleverly acknowledges it while continuing to use the expression that 3,000 cases were stored. Already 33.7 million sets of personal information—email addresses, names, and so on—have been leaked, causing damages. Vice President Lee Jae-gul, the Legal VP, said earlier that customers are worried about falling victim to smishing attacks. This concern itself shows they are being pushed into a situation where compensation for damages is

warranted. The crime of information leakage has already been completed; the offense is established. What follows is the truly unacceptable secondary crime. What Coupang is now talking about—things like storage or passing data to third parties—of course, that should never happen. To summarize: the 33.7 million cases already constitute information leakage, and among these, secondary crime has been committed for and Coupang has admitted 3,000 cases, and our government and investigative authorities are currently searching for additional cases. That's the summary.

And now, please show the next item. The document Coupang secretly created—the Hermes report—this contains anti-union intent, and yesterday it was pointed out that it serves to protect Chairman Bom Kim. Rogers claims that Coupang is complying with Korean law, but if you look at the next part, this report shows that Coupang itself admits how much it is violating the law. Next slide, please. Written documentation of contract terms—this is required, but they are not doing it. They already know they are requesting management information which they should not be. So, this report includes strategies to avoid penalties.

Next, let's look at this. There's one thing this report did well—the title is very well chosen: Hermes. Known as the god of invention and commerce, but also the god of theft. Hermes created the ingenious instrument, the lyre, earning the title of god of invention. However, he used the sinews of stolen cattle to make it. When the thief was exposed and Apollo confronted him, Hermes gave him the lyre to smooth things over. Isn't that the same? The Hermes of the 21st century, the god of theft, Coupang will no longer be forgiven. That's all.

(Chairperson Choi Min-hee) Rep. Lee Yong-woo, please proceed with your questions. You have five minutes.

(Rep. Lee Yong-woo) I am Lee Yong-woo representing Incheon Seo-gu Eul. We have now seen the true nature of Coupang over the last couple of days - yesterday and today. The parent company Coupang has two key subsidiaries: CFS and CLS, a logistics company and a package delivery company. These two companies employ tens of thousands of daily temps.

Under this abnormal employment structure engaging short-term workers and special contract workers, Coupang is enjoying enormous amount of revenue. Delivery worker Jeong Seul-gi, who collapsed from overwork, left behind these words on KakaoTalk: I'm running like a dog. In the end, the worker died from overwork. These Coupang workers are laboring on the brink of life and death, what measures has Coupang taken for them? The shocking realities have been confirmed yesterday and today. According to recent findings presented by medical professionals and researchers during the social dialogue of the National Assembly, night shifts should not exceed 12 times per month, and consecutive days of night shifts should not go on for more than 4 days. Exceeding this threshold imposes severe strain on the human body. Currently, for Coupang's delivery workers, night shifts should not exceed 5.8 hours per day. Yet Coupang's delivery workers are being pushed into an entirely different world, forced to work under extremely harsh conditions. They are working in an environment where it is not surprising even if they die at any moment. And in the midst of this, Coupang claims to be a global enterprise, a world-class company. How long will a company that earns profits on top of such casualties continue to boast and operate in this manner? It is truly appalling.

It seems impossible to expect Coupang to be a company that saves lives and benefits society. Witness Rogers, please look at the screen. These are emails that have been checked multiple times—the emails that you personally sent.

Now, look at the next screen. This is a messenger conversation between Bom Kim and a stakeholder showing that you carefully reviewed the video regarding Mr. Jang Deok-jun and received hourly

updates. Do you still maintain the position that you know nothing about this and that it is distorted, fabricated information from someone suing the company? Please answer yes or no.

(Coupang CEO Harold Rogers) (Original statement) That's correct.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, that's correct.

(Rep Lee Yong-woo) Then, since you claim this was fabricated, we asked this morning that you investigate the matter and provide the investigation results along with relevant emails and messenger records, the actual emails and messenger records. Why have you not submitted them? Please answer this in the end.

I believe the National Assembly and the government are also significantly accountable for this devilish Coupang. Was there no law or system in place? That's not true. They existed, yet Coupang has been left unchecked. Yesterday and today, many government officials here have spoken, but very few have given clear answers such as, which specific action will be taken and by when. A National Assembly investigation is scheduled. By then, it would be good to provide the public with answers like: this is what we have done so far, these are the remaining gaps, and we will complete them by this deadline.

I would like to list them one by one, but there are just too many issues that have not been properly addressed by each ministry. For years, these matters have been neglected, and as a result, Coupang has come to this point.

This time, I urge you to swiftly implement concrete measures to relieve the humiliation and frustration that the public has been feeling while watching these events unfold yesterday and today. The National Assembly will not just talk in words but take practical action so that there will be no more death of laborers and no more insults made to the Korean people. Let us work together. Let us pool our strength and wisdom. That is all.

(Chairperson Choi Min-hee) Thank you. I was going back and forth about whether I should show this screenshot here but decided to do it. Please put it up on the screen. Former CEO Park Dae-jun, please take a look and tell us whether you agree. Give us a simple yes or no answer.

(Former CEO Park Dae-jun) Yes, I will.

(Chairperson Choi Min-hee) (Referring to the screen) "We saw a number of times dogs and pigs making some noises, and then eventually getting silent, didn't we?" Do you agree with this?

(Former CEO Park Dae-jun) No, I do not.

(Chairperson Choi Min-hee) It seems there are no more questions. Questions are concluded. Let's wrap up this hearing.

We will adjourn and then continue with the Science, ICT, Broadcasting and Communications Committee meeting. Executive Secretary Kim Hyun, Rep. Kim Nam-geun, Rep. Kim Woo-young, Rep. Kim Hyun-jung, Rep. Noh Jong-myun, Rep. Oh Gi-hyoung, Rep. Lee Joo-hee, Rep. Jung Il-young, Rep. Hwang Jeong-ah, and Rep. Lee Hai-min, please stay for the next session. Rep. Jung Il-young, are you here? They say you shouldn't stay, because this is the Science, ICT, Broadcasting and Communications Committee meeting. It is not yet over, so you can stay yet. We will wrap up the Hearing here. We will start the Science, ICT, Broadcasting and Communications Committee meeting after a short break, so members of the committee should wait a while in the small meeting room.

Thank you very much to all the observers and witnesses who were here during the whole time. Thank you, Deputy Prime Minister and all government officials for your efforts. In particular, KFTC

Chairperson, you now have a lot on your shoulders, I express my sympathies. I'll leave it to your hands.

(KFTC Chairperson Ju) Yes, I will do my best.

(Chairperson Choi Min-hee) Today's hearing was not an end but was an opportunity to share numerous documents and concerns that will be carried over to the National Assembly investigation. Should we conclude the hearing, take a short break and reconvene in 20 minutes? What time would that be?

(Unknown Rep.) Why not do it now?

(Chairperson Choi Min-hee) We can't do that.

(Rep. Kim Hyun) There are some things that should be clarified.

(Rep. Jung Il-young) I am hungry, why not have some food ready or something. What's wrong with the Science, ICT, Broadcasting and Communications Committee?

(Chairperson Choi Min-hee) Just a moment. Wait and listen to me. This is not something I decide on my own. Article 63 of the National Assembly Act on joint meetings states that the competent committee may hold a joint meeting and exchange opinions with other committee through consultation, but it may not hold votes. That's what it says. So, other committee members may leave.

(Rep. Yeom Tae-young) So are you asking us to stay, or leave?

(Chairperson Choi Min-hee) Leave.

(Rep. Kim Woo-young) We should stay and vote, that's all.

(Chairperson Choi Min-hee) I said we cannot. I announce a recess. Adjourned.

Exhibit 12:
CPNG-HJC119-0000631
Transcript of December 30, 2025
National Assembly Hearing

CERTIFICATION

We, the undersigned, hereby certify that a group of professional interpreters and translators holding M.A. degrees in Korean–English interpretation and translation transcribed all Korean- and English-language utterances audible to the human ear, based on the video recordings and taking into account the provisional transcripts available on the official website of the National Assembly of the Republic of Korea. Where statements overlapped or the audio was faint, the transcript was prepared to the fullest extent possible based on what could be heard and on linguistic expertise. We further certify that the corresponding English translation is a true and accurate rendering of the source text.

Should you have any questions or require further information, please contact the undersigned.

February 9, 2026

Certified by: [REDACTED]@coupang.com
[REDACTED]@coupang.com)

English Translation: Transcript of the National Assembly Hearing (December 30, 2025)

Last Updated: February 9, 2026

(Chairperson Choi Min-hee) Please take your seats and bring the chamber to order.

As a quorum is present, I now call to order the 5th meeting of the Science, ICT, Broadcasting and Communications Committee of the 430th National Assembly (Extraordinary Session).

Please refer to the provided device for the reports. Today's meeting will be broadcast live on the National Assembly Broadcasting Service.

I will now lay before the committee Agenda Item 1: The hearing to examine Coupang's security breach and personal information leak, unfair trade practices, and labor environment conditions, and to establish measures for prevention.

I have prepared a lengthy opening statement, but I am going to skip it. We have gathered the "ace" members from six different standing committees of the National Assembly: Science, ICT, Broadcasting and Communications; Environment and Labor; National Policy; Foreign Affairs and Unification; Land, Infrastructure and Transport; and—I missed one—Strategy and Finance. Additionally, our Chief of Staff specifically requested that I mention this: in the case of the National Policy and Strategy and Finance Committees, the Chairpersons did not consent to the dispatch of members, so those members were reassigned as the members of the Science, ICT, Broadcasting and Communications Committee to be here today. I would like to express my deepest gratitude to those members who joined us specifically through this reassignment process. I would also like to thank the original members of the Science, ICT, Broadcasting and Communications Committee who, despite their understandable reluctance to leave the Committee even temporarily, kindly consented to the reassignment.

I will now provide a brief overview of today's hearing. As you are all aware, today's hearing was requested as a joint session in accordance with Article 63 of the National Assembly Act, involving the various committees I mentioned earlier. Given the nature of a joint session, the opportunity to attend should ideally be extended to every single member of the participating committees. However, due to physical space and time constraints, it was not possible for every member to be present. I ask for your understanding. For this reason, some seats have been intentionally left open. In joint sessions such as this, it is understood that if any member from the relevant standing

committees who enters the session and wishes to speak must be granted the opportunity to do so at any time.

I will now introduce the committee members. First, let me introduce the members of the Science, ICT, Broadcasting and Communications Committee.

Executive Secretary Kim Hyun. She is also the executive secretary overseeing this hearing.

Rep. Kim Woo-young,

Rep. Noh Jong-myun,

Rep. Lee Joo-hee,

Rep. Hwang Jeong-ah,

Rep. Lee Hai-min,

Is Rep. Lee Jun-seok not here yet? I believe Rep. Lee Jun-seok will arrive shortly.

Now, let me introduce the members who have newly joined the Committee through reassignment.

Rep. Kim Nam-geun,

Rep. Kim Hyun-jung,

Rep. Oh Gi-hyoung,

Rep. Jung Il-young.

Next, let me introduce the members who have come from other committees for this joint session.

Chairperson Ahn Ho-young from the Environment and Labor Committee,

Rep. Lee Yong-woo from the Environment and Labor Committee,

Rep. Park Hong-bae from the Environment and Labor Committee,

Rep. Jung Hye-kyung from the Environment and Labor Committee,

Rep. Kim Young-bae from the Foreign Affairs and Unification Committee,

Rep. Yeom Tae-young from the Land, Infrastructure and Transport Committee,

Rep. Son Myung-soo from the Land, Infrastructure and Transport Committee.

For reference, today's meeting will proceed as a session of the Science, ICT, Broadcasting and Communications Committee in accordance with Article 63, Paragraph 3 of the National Assembly Act. Therefore, the current committee members should keep in mind the quorum requirements for resuming the meeting. At least four members of the Committee must be present for the meeting to continue. This hearing will begin with the witnesses taking the oath. Following the oath, committee members will ask questions in a one-on-one question-and-answer format. Please note that witnesses are not allowed to engage in discussions among themselves. If a witness wishes to make a statement other than responding to a member's question, they must obtain permission from the Chairperson.

Now, I will introduce the witnesses and reference witnesses attending today's hearing. Those introduced should briefly stand to greet and then be seated. I will begin with the witnesses:

Deputy Prime Minister and Minister of Science and ICT, Bae Kyung-hoon,

Chairperson of the Korea Media and Communications Commission, Kim Jong-cheol,

President of the Korea Internet & Security Agency, Lee Sang-joong,

Former CEO of Coupang, Park Dae-jun,

CEO of Coupang, Harold Rogers,

Chief Information Security Officer of Coupang, Brett Matthes,

CEO of Coupang Eats, Kim Myung-kyu,

Vice President for External Affairs at Coupang, Min Byung-ki,

Vice President for Government Relations at Coupang, Cho Yong-woo,

Vice President for Legal Affairs at Coupang, Lee Jae-gul,

Head of Service Policy at Coupang, Jeon Kyung-soo,

Head of Logistics Policy at Coupang, Roh Jae-guk,

Vice President for Communications at Coupang, Lee Young-mok,

Audit Committee Member at Coupang, Yoon Hye-young.

Next, the reference witnesses.

Chairperson of the Personal Information Protection Commission, Song Kyung-hee,

Chairperson of the Korea Fair Trade Commission, Ju Biung-ghi,

Commissioner of the National Tax Service, Lim Kwang-hyun,

Commissioner of NTS Seoul Regional Tax Office, Kim Jae-woong,

Vice Commissioner of the Korea Customs Service, Lee Jong-wook,

Acting Commissioner General of the Korean National Police Agency, Yoo Jae-sung,

Chairman of the Financial Services Commission, Lee Eog-weon,

President of the Korea Consumer Agency, Yoon Soo-hyun,

CIO of the National Pension Service Investment Management, Seo Won-joo,

Professor at Korea University, Kim Seung-joo,

Representative Attorney of Hyunmyung Law Office, Kwon Ho-hyeon,

President of the Korea Mail-Order Business Association, Kim Hong-min,

There is also one reference witness who requested anonymity.

Second Vice Minister of Foreign Affairs, Kim Jina is attending today on behalf of Minister of Foreign Affairs, Cho Hyun.

For Minister of Land, Infrastructure, and Transport Kim Yun-duk, we have Eom Jung-hee? This handwriting is even harder to read than mine. Director of Transportation and Logistics, Eom Jung-hee is here today.

For Minister of Employment and Labor Kim Young-hoon, we have Vice Minister Kwon Chang-jun on his behalf. Please note that Minister Kim Young-hoon will be attending in the afternoon.

For Minister of SMEs and Startups Han Seong-sook, Second Vice Minister Lee Byeong-gweon is here today.

Please note that the ministers filled in by their vice ministers have obtained prior consent from the Chairperson and the executive secretary.

As there are several individuals who are with us today in the capacity of observers under special circumstances, I would like to introduce them.

First, we have Ms. Oh Hye-ri, the elder sister of the late Mr. Oh Seung-yong, who passed away while performing dawn deliveries in Jeju.

Next, we have Ms. Park Mi-sook, the mother of the late Mr. Jang Deok-jun, who passed away at the Chilgok fulfillment center.

Additionally, Mr. Kang Min-wook, Chairperson of the Coupang Headquarters of the Delivery Workers' Union, is expected to arrive in about an hour. As mentioned earlier, Mr. Kang will be arriving a bit late.

I would like to express my deepest gratitude to the bereaved family members and related parties for making the difficult journey to be here today. Although they are not appearing as reference witnesses, I intend to grant these observers the opportunity to speak—including providing answers—should any of the committee members request it. Therefore, I emphasize once again that committee members may direct inquiries to them. My sincere thanks once more to the bereaved families and all those concerned for their attendance today.

For today's hearing, we requested the attendance of 17 witnesses and 22 reference witnesses.

Among them, three witnesses submitted written statements explaining their reasons for non-attendance and did not appear, and seven reference witnesses expressed their intent not to attend and are absent. Please refer to the distributed materials regarding the attendance status of the witnesses and reference witnesses, as well as the written explanations for non-attendance submitted by the witnesses. The decision on whether to file criminal complaints against the absent witnesses will be made in consultation with the executive secretaries.

Now, before we proceed with the Oath of Witness, let me explain the purpose of the witness oath and the provisions regarding penalties. The purpose of the oath is to obtain a solemn pledge from each witness that they will testify truthfully and without concealment, according to their conscience, during the hearing. Please be advised in advance that if a witness refuses to take the oath or testify without justifiable cause, or if they undermine the authority of the National Assembly or commit perjury in the course of their testimony, they may be subject to a criminal complaint pursuant to Article 15 of the Act on Testimony and Appraisal Before the National Assembly.

As for the swearing-in procedure: Mr. Harold Rogers, CEO of Coupang is requested to come forward to the podium, raise your right hand, and take the oath. Upon completion of the oath, please sign the written oath and submit it to the Chairperson. Other witnesses are requested to rise at your seats and raise your right hands. Since our reference witnesses are not subject to the oath, please remain seated.

Now Mr. Harold Rogers, please step forward to the podium, raise your right hand, and proceed with the oath.

(Coupang CEO Harold Rogers) (Original statement) As I testify before the Science, ICT, Broadcasting and Communications Committee of the National Assembly of the Republic of Korea, I hereby swear in good conscience and in accordance with Articles 7 and 8 of the Act on Testimony and Appraisal before the National Assembly to tell the truth, the whole truth and nothing but the truth. I acknowledge that any false testimony or written statement may subject me to penalties for perjury. December 30th, 2025. Coupang Corp. Harold Rogers.

(Chairperson Choi Min-hee) Please be seated. Today's hearing will be conducted with simultaneous interpretation. For questions directed to foreign witnesses, interpreters will provide two-way simultaneous interpretation. Committee members can wear receivers to listen to interpretation of English responses, and members' questions will also be interpreted into English and conveyed to the foreign witnesses. Therefore, if remarks are delivered too quickly or if multiple members speak at the same time, interpreters will not be able to interpret properly, which will hinder the smooth progress of the meeting. We kindly ask you to speak as slowly as possible. Also, please note that any remarks made after the microphone has been turned off will not be transmitted to the interpreters and thus will not be interpreted.

Now, before we begin the hearing, are there any members who wish to make remarks or requests for submission of materials? Yes, we will give the floor to Chairperson Ahn Ho-young.

(Chairperson Ahn Ho-young) Today's session is a joint hearing of six standing committees from both the ruling and opposition parties, convened to address critical issues that directly affect the daily lives of the people—namely, Coupang's large-scale personal data leak and repeated labor safety problems. Nevertheless, based on the current situation, it appears that Chairman Kim Bom-suk, the ultimate person responsible for this incident and, in reality, the individual who effectively controls Coupang's decision-making, has once again failed to appear today.

I find this absence completely unacceptable. Coupang is the largest e-commerce company in Korea, with annual sales reaching approximately KRW 41 trillion last year. For a company of this scale, fulfilling its social responsibility and public duty is, naturally, not a choice but an obligation.

Yet, not long ago, Coupang experienced a data leakage involving approximately 33.7 million customers' personal information. This is an incident that has affected the personal information of nearly one out of every two citizens, causing significant public anxiety.

Their labor conditions are also extremely concerning. Suspected cases of death from overwork have continued to occur, and there are reports estimating that around 29 workers may have died from overwork-related causes over the past five years. Nevertheless, applications for recognition of industrial accidents have been extremely limited. Issues of this magnitude can no longer be regarded

as internal matters of a single company. They are public concerns that the National Assembly and the people must scrutinize and for which accountability must be clearly established. That is why this unprecedented joint hearing of six standing committees is being held today.

Under these circumstances, it is only right that Coupang's top executive appear before the public, apologize, explain the causes of these incidents, and make clear commitments to prevent recurrence. Yet the continued avoidance of attendance reflects an arrogant and disrespectful attitude toward both the National Assembly and the people of this country.

Therefore, I respectfully request that the Chairperson not only demand Chairman Kim Bom-suk's additional attendances until he complies but, if necessary, take all available legal and procedural measures, including accusing a complaint.

(Chairperson Choi Min-hee) I will consult with the executive secretaries to decide, but I agree with Chairperson Ahn Ho-young's proposal. Next, Rep. Kim Nam-geun.

(Rep. Kim Nam-geun) First of all, Coupang's conduct of disrupting market order, undermining labor standards, and its attitude of completely disregarding laws and administrative regulations have provoked significant public outrage. Many of the issues involved here actually fall under matters handled by our National Assembly's National Policy Committee, such as fair trade issues, or matters related to the Financial Services Commission.

However, Chairperson Yoon Han-hong of the National Policy Committee, who should have actively led or at least cooperated with this hearing, has ultimately failed to do so. Members of the National Policy Committee had to be reassigned to the Science, ICT, Broadcasting and Communications Committee to participate in this hearing. I find this very regrettable. I believe that the National Policy Committee's neglect in addressing Coupang's market-disrupting practices has played a significant role—indeed, has been a critical cause—in bringing about the current situation surrounding Coupang. The National Policy Committee itself must first engage in self-reflection, starting with Chairperson Yoon Han-hong. Without such reflection, they have instead even obstructed the progress of this hearing. This is truly disappointing, and I cannot help but express my deep regret. Next, let me discuss the request to submit documents. Whenever Coupang has faced issues like these, unlike U.S.-based companies, Coupang has consistently adopted an attitude of stonewalling, and attempting to conceal problems. In particular, it has filed lawsuits against journalists who raised concerns, pursued legal or civil actions against labor union leaders who spoke out, and even brought lawsuits against civic organization staff. It has also engaged in various forms of retaliatory conduct, including retaliatory litigation, against platform merchants who raised issues. This afternoon, a platform merchant will appear, but due to fear of retaliation by Coupang, partitions have been set up, and the individual cannot reveal their identity. To fully disclose such arrogant and coercive behavior of Coupang, we absolutely need records of these lawsuits that Coupang filed against journalists, civic organization staff, and labor unions to stop them from speaking out. These materials have been requested, yet Coupang has thus far failed to submit them. Therefore, during the course of this hearing—preferably by this morning—I strongly urge Coupang to submit all documents related to lawsuits intended to silence those who raised concerns.

Another important set of materials concerns the issue of overwork-related deaths among Coupang's delivery drivers and fulfillment center workers. Because this has been a recurring problem, Coupang publicly declared that it would implement the social agreement on the Prevention of Overwork-Related Deaths among Delivery Workers, which was reached in 2021. Currently, even the contract submitted to the Ministry of Land, Infrastructure, and Transport include provisions related to fulfilling this social agreement. So, we have requested Coupang to submit the contract provided to the Ministry, which outlines how they plan to implement this agreement. However, Coupang has not submitted it yet. (Mic off) (Statement after mic off) If you could allow me just one more minute...

(Chairperson Choi Min-hee) Give him 1 more minute.

(Rep. Kim Nam-geun) To continue my remarks, this document is extremely important. It will serve as a key indicator of whether Coupang intends to come forward with an attitude focused not on simply holding out but on genuinely working to improve and acknowledging its responsibilities. Therefore, I ask that the standard contract be submitted without fail. Moreover, in case Coupang refuses to provide it, since representatives from the Ministry of Land, Infrastructure, and Transport are present here today and the Ministry has already received this contract from Coupang, I strongly request the Ministry to also submit the contract.

Another aspect of Coupang's strategy of resistance involves its monopoly practices. To properly assess the monopoly issue, we need to verify how many consumers Coupang has secured, the number of WOW membership subscribers, the number of Coupang's suppliers, and the status of such supply relationships. We requested these materials from the Korea Fair Trade Commission, but they have not provided them either. Therefore, I urge that, at least later this morning, the materials requested from the Korea Fair Trade Commission... (Mic off) (Statement after mic off) be submitted.

(Chairperson Choi Min-hee) Next is Rep. Lee Yong-woo. We will proceed in order. Rep. Lee, please begin. You have three minutes.

(Rep. Lee Yong-woo) I am Lee Yong-woo, representing Incheon Seo-gu Eul, from the Environment and Labor Committee. The Environment and Labor Committee has also intensively addressed issues related to Coupang during the 22nd National Assembly. From last year's National Assembly audit through the hearing held early this year, Coupang made commitments to the public and to the National Assembly. However, more than 90% of those commitments have not been implemented, and Coupang has even stated outright that it is unable to implement them. It is not just me—the public is utterly sick and tired of Coupang's behavior. Despite our stern rebukes during this year's National Assembly audit, Coupang has still failed to submit any additional implementation plans. Coupang generates more than 90% of its sales in Korea, which is worth over KRW 41 trillion. Even so, the manner in which Coupang deals with the Republic of Korea and its people goes beyond shamelessness; that is how I would characterize it.

It took Coupang five months to even confirm to the public that personal information had been compromised. Not only that, but they also engaged in wordplay by claiming that this was not a "leak" but an "exposure." Furthermore, Coupang—a company that should itself be under investigation—has taken an unprecedented and unacceptable step and preemptively announced its own investigation results without disclosing the forensic data.

Leaving aside the meager compensation level, Coupang is once again provoking public outrage by proposing deceptive compensation schemes that are nothing more than promotional stunts. To address these issues fundamentally and establish proper countermeasures, responsible executives and decision-makers—such as Kim Bom-suk, Kim Yoo-suk, and Kang Han-seung—must appear before the National Assembly, which represents the people, and formally present accountable actions and measures to prevent recurrence. Instead, they remain outside the Assembly, or outside Korea, merely issuing a written statement and announcing an implausible compensation scheme. This kind of behavior is absolutely intolerable.

If you look at the written explanations for absence, the gist is this: "I am unable to attend due to a previously scheduled commitment." They didn't even attach any supporting documents for what that reason is. Basically, "Judge for yourselves. I have other plans, so I cannot attend." How can this be anything other than a mockery of the Republic of Korea and its people? There's not even a minimum display of sincerity. I cannot comprehend how little regard they must have for Korea and its people to submit a single excuse letter like this and repeatedly refuse to attend.

As for Coupang and its executives, including Chairman Kim Bom-suk, I ask the Chairperson to take firm action—meaning, to make it clear that if they don't appear today, another hearing will be

convened, and if necessary, even a National Assembly investigation will be initiated, to make sure they are brought before the people. Furthermore, if they continue to refuse attendance despite such measures, I request that you pursue every legal action permitted under Korean law. And I... Coupang and... (Mic off)

(Chairperson Choi Min-hee) Give him more time.

(Rep. Lee Yong-woo) The most infuriating point when dealing with Coupang and its management was that they consistently resorted to stopgap tactics—conduct designed merely to ride out the storm. I request once again that the Chairperson conduct today's and tomorrow's hearings in a manner that makes clear such tactics will not be effective. Thank you.

(Chairperson Choi Min-hee) I will do so. Also, the request for a National Assembly investigation has already been finalized and delivered to the Assembly. So, I want to inform you that the procedural process is now underway. Since this is a proposal with the same intent as Chairman Ahn Ho-young's, I am giving the same response. Now, I will give the floor to Rep. Kim Young-bae.

(Rep. Kim Young-bae) I am Kim Young-bae, serving as the executive secretary of the Foreign Affairs and Unification Committee. Sitting here today, I feel a deep sense of dismay. I believe the public is experiencing a similar sense of humiliation.

How can any company in Korea show such disregard, insincerity, and a brazen take-it-or-leave-it attitude toward the people of this country? I think I speak for many Koreans when I say that this is infuriating. As the executive secretary of the Foreign Affairs and Unification Committee, I feel that Coupang is not a U.S. company but rather an obstacle—a stumbling block—to the Korea-U.S. alliance. The situation seems extremely serious.

No people, no documents. It makes me wonder why we're even doing this hearing—it feels as though one is shouting into the void or shaking one's fist at the sky. How was the Republic of Korea built? How did our people create this democratic republic? I cannot help but ask whether people in this democratic republic should be treated this way.

I have requested many documents, including the API signing key lifecycle management register, but almost nothing has been submitted. Regarding the personal information leak, Coupang has failed to submit its internal legal team's review reports, lists of critical documents approved since Harold Rogers became CEO, or any comparable materials. I believe a parliamentary investigation is absolutely necessary.

Regarding Mr. Kim Yoo-suk, even when we visited Coupang to protest, the company only verbally acknowledged that he held the position of Vice President. Beyond that, it has refused to submit any substantive documentation. The company is consistently lying. This clearly calls for a stronger "stick."

Looking at the situation, it seems they have a lot of lawyers. CEO Rogers himself appears to be a lawyer, and major subcontractors and subsidiaries also seem to have lawyers as their heads. This mirrors the manner in which former President Yoon Suk-yeol, during his tenure as Prosecutor General, used the prosecution as his personal legal defense team. What I see here is a group of "legal eels," a whole brigade of lawyers deliberately acting in this way from the very start. Such owner-related risks should be eliminated promptly, for the good of the company itself. If Coupang is truly a U.S. company, and if it cares about its consumers and shareholders, removing such owner-related risks promptly would benefit both the company and the Korea-U.S. alliance. Consider this a warning... (Mic off) (Statement after mic off) and submit the requested documents. That concludes my remarks.

(Chairperson Choi Min-hee) Did you say the validity period of the API signing key?

(Rep. Kim Young-bae) Lifecycle management register.

(Chairperson Choi Min-hee) Lifecycle management register. Representative Jung Il-young.

(Rep. Jung Il-young) I am Jung Il-young, a member of the Strategy and Finance Committee and the representative for Songdo International City in Incheon.

This is a deeply frustrating situation for the public. People are angry because of Coupang. That's why I believe that today's hearing, even though it is being held toward the end of the year, is extremely meaningful.

Instead of solving problems, Coupang has been announcing measures that demonstrate incompetence and a lack of empathy, only further aggravating public anger day after day. As widely reported by virtually all media outlets, even the measures announced as compensation have been criticized as careless and inflammatory. The more we dig, the more Coupang's problems continue to grow. The company has lost trust.

Regarding witnesses, as other committee members have already stated, Chairman Kim Bom-suk, and his brother Vice President Kim Yoo-suk, with respect to the absence of the designation of the controlling person, must appear but they have failed to do so. I urge that the most severe legal sanctions be imposed, and that the National Assembly take all available measures, including a parliamentary investigation.

Second, I believe that even within the government, the handling of and the measures taken in response to Coupang have been slow and frustrating. While the President has shown strong determination, the public wonders what timely actions are taken by the relevant ministries and agencies. In particular, the Minister of Land, Infrastructure and Transport should have been here today as a reference witness because logistics is arguably the most critical function of Coupang—over 50%, in my view. Yet neither the Minister nor the Vice Minister is present; only a director has attended. I believe that, even if the Minister is busy, it is necessary for the Minister to appear for at least a few hours over the course of these two days to provide answers.

Third, we requested submission of materials. However, the most critical documents have not been provided. What's worse, even government agencies have failed to submit these materials. For example, from the Financial Supervisory Service, we requested comprehensive records concerning Kim Bom-suk's holdings of listed and unlisted domestic shares, the acquisition and disposal history of his shares, including his stake in Coupang, and changes in their appraised value, etc. - Five in total from the Financial Supervisory Service. From the Ministry of the Interior and Safety, records of acquisition tax and property tax assessments and payments related to Kim Bom-suk's real estate. From the Ministry of Justice, we requested a complete record of Chairman Kim Bom-suk's entries to and exits from the country over the past 15 years, as well as records concerning changes in his residency status and nationality-related administrative filings. These have been repeatedly denied. At the very least, agencies should show sincerity by granting access for viewing these materials. Please provide the requested materials or clear explanations regarding these materials by 4 p.m. today.

Since I work on the Strategy and Finance Committee, going forward, regarding Coupang's issues...
(Mic off)

(Chairperson Choi Min-hee) Give him one more minute.

(Rep. Jung Il-young) Regarding the issues with Coupang's tax payments, I will conduct a thorough investigation into their domestic and U.S. tax filings, with a specific focus on potential tax evasion. That concludes my remarks.

(Chairperson Choi Min-hee) Rep. Kim Hyun-jung.

(Rep. Kim Hyun-jung) I am Kim Hyun-jung, a member of the National Policy Committee. I also believe it is necessary for me to make a brief statement regarding the witnesses. Led by Chairman Kim Bom-suk, the key witnesses designated for today's hearing have notified us of their nonattendance, citing reasons, such as overseas residency or prior schedules. In response, the National Policy Committee has already pressed charges against Chairman Kim Bom-suk by a bipartisan agreement.

As my esteemed colleagues have stated earlier, the series of actions taken by Coupang lead me to believe that they are mocking not just the National Assembly, but the people of the Republic of Korea. They conducted their own investigation despite having no authority to conduct compulsory investigations, released the results unilaterally, and issued what it called an apology that amounted to little more than an excuse. Furthermore, they presented a compensation plan that treats the public with contempt. This can only be seen as a declaration by Coupang that they intend to stand above the law.

As our respected Chairperson Choi Min-hee pointed out, their compensation plan is nothing more than a promotional event. I agree. For Coupang to release such a plan right before this joint hearing strikes me as an act of mockery and deception toward the public and the National Assembly. Looking at the details of this compensation, Coupang proposed to provide shopping vouchers worth KRW 50,000. However, for Coupang and Coupang Eats—the services most frequently used by people—the vouchers are only KRW 5,000 each. The remaining value consists of KRW 20,000 vouchers for little-known services such as R.LUX and Coupang Travel. I checked R.LUX yesterday afternoon, and even the lowest-priced item—socks—cost more than KRW 30,000. They are essentially saying that they will not appear before the National Assembly that represents the people after only presenting a compensation plan that can't even buy a single pair of socks.

If the National Assembly lets this slide with a vague response, it will set a precedent where any corporation can simply issue a one-page apology and stay overseas. The fact that a witness is a U.S. national or resides abroad must never be an excuse to let someone off the hook.

Therefore, since Chairman Kim Bom-suk has failed to appear again today, I ask that it be clearly recorded in the transcript that his written explanation for absence is not recognized as a justifiable reason for the absence. I am aware that a request for the National Assembly investigation has been already submitted, and I request once again that it be proceeded. And when it is proceeded, I ask that compulsory measures be considered, such as orders to compel attendance.

Furthermore, following accusation already filed against Chairman Kim Bom-suk, I demand that accusations also be filed against Kim Yoo-suk and witness Kang Han-seung.

Additionally, to add one more point to what the esteemed Rep. Kim Nam-geun said— (Mic off)

(Chairperson Choi Min-hee) Give Representative Kim one more minute.

(Rep. Kim Hyun-jung) Although the National Policy Committee oversees the largest number of relevant government agencies, its chair, Representative Yoon Han-hong of the People Power Party refused to grant consent, resulting in members to be reassigned to this committee just to attend this session. While the People Power Party has stated that it agrees there are issues related to Coupang, it has opposed a joint hearing and instead called for a parliamentary investigation. Frankly, under these circumstances, I find it difficult to believe they are sincere about that proposal. Therefore, I strongly condemn the People Power Party for this stance and urge them to fully participate when the parliamentary investigation is substantively pursued. That is my final remark. Thank you.

(Chairperson Choi Min-hee) Representative Noh Jong-myun.

(Rep. Noh Jong-myun) I am Noh Jong-myun from the Science, ICT, Broadcasting and Communications Committee.

At the Coupang hearing held by our Committee on December 17, Mr. Harold Rogers attended as the representative of Coupang's Korean entity and committed perjury on very critical points. He repeatedly made statements that were clearly false. When questioned about the death from overwork of the late Coupang worker Jang Deok-jun in October 2020, Mr. Rogers—despite being a senior executive at Coupang at the time—repeatedly stated that he was entirely unaware of the incident and was not involved in the response because he was not in charge of legal affairs. However, subsequent reporting by the Seoul Broadcasting System confirmed the existence of communications showing that after the death occurred, Mr. Rogers was significantly involved in high-level discussions led by Chairman Kim Bom-suk regarding the company's response. Therefore, I formally raise with the Chairperson the necessity of voting to file an accusation against Mr. Rogers for perjury.

Furthermore, I'm concerned that Mr. Rogers may engage in disruptive behavior throughout today's hearing. His prior request that his remarks not be interrupted suggests he intends to repeat the same tactics as before—rambling and making unnecessary statements repeatedly to obstruct proceedings. I respectfully request that the Chair strictly manage the proceedings to ensure that such obstruction is not allowed today and tomorrow. If he cannot summarize and present key points concisely, he should first learn how to do so before running a business or taking on responsibilities. That concludes my remarks.

(Chairperson Choi Min-hee) Next, Representative Jung Hye-kyung.

(Rep. Lee Jun-seok) (Mic off) Chairperson, is this not being interpreted for them right now?

(Chairperson Choi Min-hee) From this point onward... this is a procedural remark, so...

(Rep. Lee Jun-seok) (Mic off) But they include remarks where members are reprimanding them, so I think they should be interpreted.

(Chairperson Choi Min-hee) It is being interpreted there, next to them—up to this point.

(Rep. Lee Jun-seok) (Mic off) I suppose it will once again be interpreted 'creatively.'

(Chairperson Choi Min-hee) Simultaneous interpretation is provided for questioning... in accordance with how the system has been set up.

(Rep. Lee Jun-seok) (Mic off) Understood.

(Chairperson Choi Min-hee) Representative Jung Hye-kyung.

(Rep. Jung Hye-kyung) Hello. I am Jung Hye-kyung, a member of the National Assembly from the Progressive Party and a lawmaker who previously worked as a non-regular worker.

Over the years, the Environment and Labor Committee has repeatedly demanded hearings on worker deaths related to Coupang, and we have held such hearings. Nevertheless, Coupang has continued to engage in manipulation and concealment.

Today, Chairman Kim Bom-suk is absent once again. Looking at the record by year, it began in 2015: in 2015, he failed to appear for a National Assembly audit on sales fee issues; in 2021, he did not attend a hearing by the Environment and Labor Committee on industrial accidents; in 2022, he again did not attend a National Assembly audit on industrial accident issues; in 2024, he failed to attend a National Assembly audit on deaths of workers, including deaths from overwork; in 2025, he failed to appear at an Environment and Labor committee hearing on improving working conditions for parcel delivery workers; in 2025, he again failed to appear at a National Assembly audit on industrial

accident fatalities, including overwork-related deaths; in 2025, he did not attend a hearing of the Science, ICT, Broadcasting and Communications Committee regarding personal information leakage; and today, in 2025, he has failed to attend this joint hearing on Coupang. This marks the eighth time he has refused to appear before the National Assembly.

What kind of sentiment does Coupang now evoke among the people of Korea? As many committee members have noted, fundamentally, the prevailing perception is one of falsehood, fabrication, manipulation, and concealment—conduct that disregards and mocks the public. When business was booming, Coupang proudly claimed to be a Korean company, but when problems arise, it distances itself by portraying itself as a U.S. company. This reveals the company’s true face.

Today, I intend to further investigate the deaths of workers. Therefore, I request the submission of documents. First, for the past five years, please provide details on all incidents involving workers transported by emergency services (119), including causes of those incidents, medical diagnoses, and outcomes of how each case was handled, by this afternoon.

Second, even when workers were not transported by 119, many industrial accidents occurred on-site. We know that numerous cases were concealed and not reported as industrial accidents. I understand that there are internal records related to these incidents. Please submit those internal documents concerning industrial accident cases by this afternoon. That concludes my remarks.

(Chairperson Choi Min-hee) Regarding the requests for the submission of materials made by the committee members—for the requests directed to government agencies, I ask the Chairperson’s office to compile them, resubmit the requests to each agency, and inform us of the results. Yes, all these requests are already being conveyed, and we will confirm the status and inform you shortly. And we need to organize the requests directed specifically to Coupang. First, regarding the portion requested by Rep. Kim Nam-geun—which consists of all materials related to lawsuits against journalists, civic group activists, platform merchants, and others who have raised issues regarding Coupang...

Witness Park Dae-jun, because we are not able to communicate effectively with Mr. Rogers, to whom should we direct this request among those present here today? The Vice President of Legal Affairs is in attendance, correct?

(Former CEO Park Dae-jun) Yes, I understand he is in attendance.

(Chairperson Choi Min-hee) Where is he? Could you please stand up for a moment?

(VP Lee Jae-gul) Yes.

(Chairperson Choi Min-hee) Regarding the materials requested by Rep. Kim Nam-geun, please ascertain their status and inform us of the deadline for submission. You heard me, right?

(VP Lee Jae-gul) Yes.

(Chairperson Choi Min-hee) Next, among the materials requested for submission by Rep. Kim Young-bae, specifically the API signing key lifecycle management register, and the Legal team’s review report following the hacking incident—this legal review report also falls under the responsibility of the Vice President of Legal Affairs, correct? You must have conducted a legal review following the hacking incident, right? Please identify the relevant review report promptly and submit it. And as for the materials requested by Rep. Jung Hye-kyung, you’re referring to the causes of the accidents and the results of their handling for the patients transported via 119 emergency services, correct?

(Rep. Jung Hye-kyung) Yes.

(Chairperson Choi Min-hee) Regarding this—specifically the number of patients transported via 119, and the causes of the accidents and the results of their handling—I am certain that internal records for these exist. As for any on-site industrial accidents that may have been concealed, we may not be able to address those. You are referring to the internal industrial accident records, correct?

(Rep. Jung Hye-kyung) The internal records.

(Chairperson Choi Min-hee) Please submit those as well. (Looking toward the staff) My office is keeping a full list of all these, correct? Please verify that promptly. We will now continue with the questioning.

(Rep. Park Hong-bae) (Mic off) Chairperson, I would like to make a make a procedural remark.

(Chairperson Choi Min-hee) Rep. Park Hong-bae. You have three minutes.

(Rep. Park Hong-bae) I'm Representative Park Hong-bae of the Environment and Labor Committee. Many members of the standing committees have gathered here today to address and examine Coupang's large-scale personal information leakage, unfair trade practices exploiting market dominance, and harsh labor conditions evidenced by repeated worker fatalities.

As several members have noted, the root cause lies with a single individual: Kim Bom-suk. This is a man who, from the time he founded Coupang, and from the time he deliberated whether to list the company in the Republic of Korea or on the New York Stock Exchange in the United States, had already taken into account the present situations and even the potential legal liabilities. While going so far as compiling a "PNG List"—commonly referred to as a blacklist—targeting workers and journalists, he handled customer personal information negligently. He has misappropriated outstanding products of small businesses and treated tens of thousands of workers as expendable resources.

Nevertheless, I do not believe that Kim Bom-suk's failure to appear renders today's hearing meaningless. In January of this year, the Environment and Labor Committee held a hearing and obtained numerous commitments. Although there have been minor shifts, most issues remain largely unchanged. Despite this, I believe we must not give up. The government is even considering a suspension of business operations, conducting tax investigations, and the Ministry of Employment and Labor has carried out countless labor inspections. A parliamentary investigation is self-evidently necessary, and I believe that we must also continue to hold hearings—joint hearings such as this one—until Kim Bom-suk makes an appearance.

His brother, Kim Yoo-suk, is currently shrouded in secrecy. When we visited Coupang headquarters the day before yesterday, the company stated that he worked at a fulfillment center in Korea, starting as a department manager and has since become a director. He currently serves as a vice president at Coupang Korea. It appears that he is overseeing domestic operations under the direction of Kim Bom-suk. This individual has been residing in Korea. However, there is a substantial possibility that he fled overseas after the scheduling of this hearing. Therefore, I assert that his immigration records must be verified, and a complaint should be filed if necessary.

With respect to the so-called "Coupang Act", I would like to state that the National Assembly must make a more concerted effort. At present, there are strong demands from the civil society for measures such as a class action act, punitive damages, and a discovery system. In the United States, Amazon has long caused labor-related problems similar to those currently associated with Coupang. As a result, California enacted AB 701—commonly known as the "Amazon Act"—which regulates workload and productivity quotas at fulfillment centers. South Korea can no longer leave Coupang unchecked. This will not end with just two days of hearings. However, we must, on behalf of the people, uncover the truth, determine responsibility, and establish national-level measures to

prevent recurrence. Together with the committee members present here, I will—(Mic off)—do my utmost to ensure that Coupang is changed.

(Chairperson Choi Min-hee) Rep. Kim Young-bae, you are referring to Witness Kim Yoo-suk's career history within Coupang, correct? Which positions he has held? Please ensure that we obtain that career history as well. Next, regarding the immigration and departure records request from the Ministry of Justice, please submit requests for all three individuals: Kim Bom-suk, Kang Han-seung, and Kim Yoo-suk.

May we now proceed with the formal questioning? (A committee member responds, "Yes.")

Rep. Kim Nam-geun, please proceed with your questioning. You have seven minutes.

From this point onward, simultaneous interpretation will be provided.

(Rep. Kim Nam-geun) I am Rep. Kim Nam-geun, representing Seongbuk Eul, Seoul.

First, I would like to direct a question to Mr. Yoo Jae-sung, Acting Commissioner General of the National Police Agency. Please come forward. If we could pause the time briefly, until he reaches the podium? Quite a bit of time has already passed.

(Chairperson Choi Min-hee) No, let's restart the clock at seven minutes.

(Rep. Kim Nam-geun) Witness.

(NPA Acting Commissioner General Yoo) I am here as a reference witness.

(Rep. Kim Nam-geun) Reference witness, Coupang conducted a self-investigation and announced that the number of records actually leaked externally was only about 3,000 cases of information. However, Coupang is, in fact, also a suspect in this matter. It is extremely rare for a suspect, who should be the subject of an investigation, to conduct a self-investigation and then publicly announce its findings, isn't it?

(NPA Acting Commissioner General Yoo) Yes, that is correct.

(Rep. Kim Nam-geun) Coupang claims that only about 3,000 cases of information were involved, which appears to be an attempt to conceal their liability to some extent. I believe that this requires a thorough investigation.

According to the materials we obtained, this is a threatening email sent by the perpetrator to Coupang on November 25. In this email, the individual claims to have secured 120 million shipping address records, 560 million order records, and 33 million email addresses from Coupang's app and website. Since the individual states he has already secured them, it appears the perpetrator has already downloaded and is in possession of the data. This also requires an investigation.

What is even more concerning is that, according to the details provided in the email, the perpetrator claims to have analyzed the 120 million shipping address records and found that they span across 18 metropolitan areas and 266 regions—likely local municipalities. This suggests that the individual has already examined and analyzed the address data. Nevertheless, Coupang appears to be concealing these details and claiming that only 3,000 cases were involved. Regarding the 33,000 email addresses, the perpetrator also states that his analysis revealed they span multiple, diverse domains. Based on this exhibit, it does not appear that the number of records identified, analyzed, and downloaded by the perpetrator amounts to only about 3,000. It seems the individual had already analyzed a much larger volume of evidence than that. Therefore, I believe we must not rely solely on Coupang's self-investigation, and a thorough investigation into the claims made in this document is necessary. What are your thoughts on this?

(NPA Acting Commissioner General Yoo) Yes, we will do so. The police will conduct a thorough investigation into all of these matters.

(Rep. Kim Nam-geun) I will now direct my questions to the Chairperson of the Personal Information Protection Commission. Looking at the claims made by the perpetrator, the individual portrays himself as a whistleblower, alleging that Coupang does not properly de-identify personal data, thereby creating a high risk of personal information leakage. Coupang should be storing such data after de-identifying or anonymizing it. He further claims that because Coupang failed to take such measures, he carried out these actions, ostensibly for that reason.

You have conducted an investigation into this matter, haven't you? Coupang stores approximately 33 million records—are these data stored in an anonymized or de-identified manner such that individual persons cannot be identified, or are they stored in a way that would allow immediate identification of whose personal information it is once the data is leaked?

(PIPC Chairperson Song) We are currently conducting a thorough investigation into this matter.

(Rep. Kim Nam-geun) Please ensure a thorough investigation is conducted.

(PIPC Chairperson Song) Yes.

(Rep. Kim Nam-geun) I would like to direct my questions to the Chairperson of the Korea Fair Trade Commission (KFTC).

Coupang has been receiving widespread criticism for utterly disregarding our nation's laws and administrative authorities, as well as completely ignoring consumer outrage. Is that not the case?

(KFTC Chairperson Ju) Yes.

(Rep. Kim Nam-geun) Why do you think that is? In my view, the first reason is that they are relying on the U.S. As they consider themselves a U.S. company, they seem to believe that the U.S. government will protect them, especially since organizations such as the U.S. Chamber of Commerce have already raised concerns. Rep. Kim Young-bae will likely question this point in more detail... Another reason is their monopolistic status. There appears to be a perception that consumers, because they are already benefiting from monopolistic advantages, are effectively locked in and cannot leave anyway, and that the same applies to merchants operating on the platform—they, too, cannot easily exit. Thus, they maintain an attitude that, no matter what actions are taken, there will be little real harm to the company.

When I looked into the matter recently, by examining the number of card transactions on Coupang, the card sales amount did not decline significantly even after the personal information leakage. This means there was no substantial "*Tal-pang* (exodus from Coupang)" among consumers. Likewise, merchants operating on Coupang are not primarily concerned about leaving the platform. Rather, their concern is whether Coupang's situation might lead to a decline in their sales, or whether any penalties, such as administrative fines imposed on Coupang, might ultimately be passed on to them. This is a classic manifestation of monopoly power. Ordinarily, when a company faces criticism of this magnitude, consumers and merchants would exit the platform and competing firms would begin to emerge. However, no such effect is being observed here. Would you acknowledge that Coupang holds a monopolistic or near-monopolistic position in this regard?

(KFTC Chairperson Ju) If we look at market share, which is the metric currently used to assess market dominance...

(Rep. Kim Nam-geun) No, please just state your conclusion.

(KFTC Chairperson Ju) ... it is high.

(Rep. Kim Nam-geun) Yet the Korea Fair Trade Commission has not yet acknowledged that Coupang holds a monopolistic or market-dominant position, has it?

(KFTC Chairperson Ju) That is not the case.

(Rep. Kim Nam-geun) It is not?

(KFTC Chairperson Ju) No, it is not.

(Rep. Kim Nam-geun) I will ask only about four key matters in which the previous Yoon Suk-yeol administration shielded Coupang. Please explain how the Lee Jae-myung administration intends to address them.

One of the most typical forms of Coupang's monopolistic conduct is self-preferencing. Globally, competition and antitrust laws are broadly established, and in particular, regulation of self-preferencing practices has been strengthened. Coupang manipulated search rankings to make its own products more visible while pushing products sold by other merchants further down the list, thereby maximizing its own profits. There was a case in which an administrative penalty of KRW 168 billion was imposed in connection with such conduct, was there not?

(KFTC Chairperson Ju) Yes.

(Rep. Kim Nam-geun) Regarding the case, the KFTC did not acknowledge Coupang's monopolistic status but instead regulated it merely as an individual unfair trade practice. I believe the KFTC under the Yoon administration showed leniency toward Coupang in this regard.

What was even more problematic was that the preceding conduct was not investigated at all. When Coupang creates products that directly compete with those of third-party sellers, it does so by analyzing those sellers. When there is a product that sells well – you know they conduct data analysis on the platform. For products with strong sales and high profitability, it identifies where those products are sourced from, extracts related business secrets, and then approaches those suppliers directly, telling them to supply Coupang instead. In this way, Coupang developed its own private-label products. It then manipulated search rankings to push its own products to the top.

The KFTC failed to properly investigate this preceding conduct—stealing the trade secrets of platform merchants to create their own PB products. I believe this was also another instance of leniency by the KFTC under the Yoon administration. I urge you to ensure that this matter is also investigated.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Nam-geun) Next, by leveraging their WOW membership, after securing 14 million WOW subscribers, Coupang entered the food delivery app market by offering free delivery to those members when using Coupang Eats. In just one year, in Seoul, in the food delivery app market, ...

(Mic off) (Statement after mic off) Coupang became the number-one. If I could have just one more minute, I will wrap up.

(Chairperson Choi Min-hee) No, that will not be permitted. It would be better for you to continue at a later time.

(Rep. Kim Nam-geun) (Mic off) I will raise this again later this afternoon.

(Chairperson Choi Min-hee) And committee members, please ensure that your remarks adhere to the seven-minute time limit. The reason I allowed some extra time for a point of order earlier in the session was because simultaneous interpretation was unavailable at that time. Also, Mr. Harold Rogers, please use the simultaneous interpretation device. And to the interpreter seated beside him—are you the same individual who was here last time? Please step forward for a moment.

(Coupang CEO Harold Rogers) (Original statement) I have my interpreter that I need to ...

(Interrupted)

Interpretation not provided

(Chairperson Choi Min-hee) Please step forward for a moment, the interpreter. I can't see you clearly from here ...

Last time, regarding the part where Mr. Harold Rogers mentioned "the lowest rate," this was in response to a question regarding the interest rate on loans that Coupang provides to small and medium-sized business owners. Mr. Rogers said, "the lowest rate," but how did you interpret that for us? Should I play it back?

(Interpreter Kim Eui-jeong) (From the gallery) May I answer from here?

(Chairperson Choi Min-hee) He said, "the lowest interest rate," but how did you interpret it at the time?

(Interpreter Kim Eui-jeong) (From the gallery) I believe I said 'it was on the lower side'.

(Chairperson Choi Min-hee) No, you said 'relatively low.' You must not interpret in that manner. But of course, that interpretation is not necessary at this point, is it? Please put on the simultaneous interpretation device immediately. We have received concerns that the interpreter is not accurately conveying our committee members' questions. That is why I am addressing this. Last time... it is unacceptable to embellish the original statements while interpreting.

Therefore, please use the simultaneous interpretation devices, all foreign participants. (To the staff) Verify this. Once the devices are worn, we will proceed with the next committee member's questioning.

(Rep. Kim Nam-geun) (Mic off) Chairperson, I believe we need to hear the response from the KFTC Chairperson.

(Chairperson Choi Min-hee) Let us settle this matter first.

(Coupang CEO Harold Rogers) (Original statement) I've been denied my request to have an attorney present even though there are criminal allegations against me, I've been denied seeing the documents used in the session even though they're in Korean and I don't speak Korean and now am I understanding that you're denying my use of my interpreter as well?

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) Despite facing criminal allegations against me... I requested to have legal counsel present, and even though I do not know Korean...

(Chairperson Choi Min-hee) No, please stop for a moment.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) Korean documents were used.

(Chairperson Choi Min-hee) Please stop. Stop.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) Can I not use my interpreter?

(Chairperson Choi Min-hee) Please stop and use the simultaneous interpretation device.

(Coupang CEO Harold Rogers) (Original statement) I will use my interpreter. Thank you very much.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) I will use my interpreter. Thank you.

(Chairperson Choi Min-hee) Use the simultaneous interpretation device. Last time, the interpreter...

(Rep. Kim Hyun) (Mic off) Simultaneous interpretation is not being provided right now. Please instruct them to begin simultaneous interpretation first.

(Chairperson Choi Min-hee) It is being provided continuously, but he is not using it. That individual, last time...

(Coupang CEO Harold Rogers) (Original statement) I will use my interpreter. I was allowed to bring my interpreter and I will use my interpreter. She is very well qualified, she interpreted in the UN, before the United Nations, before joining Coupang. She's incredibly well qualified and I will use my interpreter. Thank you.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) I was permitted to be accompanied by my interpreter, and I believe my interpreter is competent. She has interpreted in the UN before interpreting at Coupang and I would like to use my interpreter as she is well qualified. Thank you.

(Chairperson Choi Min-hee) Please don't just act on your own.

(Rep. Noh Jong-myun) (Mic off) I have a point of order.

(Chairperson Choi Min-hee) Wait a moment, just a moment please.

The interpreter there embellished the most critical points previously, which is why we have gone as far as preparing simultaneous interpretation. Wear the simultaneous interpretation device.

(Coupang CEO Harold Rogers) (Original statement) I'm receiving simultaneous interpretation through my interpreter who I was allowed to bring even though I wasn't allowed to bring an attorney or see the documents beforehand.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am listening to simultaneous interpretation through my interpreter. I received permission. I was not allowed to have legal counsel present.

(Chairperson Choi Min-hee) Who gave you permission to do that? Just a moment.

(Rep. Noh Jong-myun) (Mic off) I would like to make a point of order regarding this matter...

(Chairperson Choi Min-hee) Yes. Give him three minutes for a point of order.

(Rep. Noh Jong-myun) Mr. Rogers, you seem to be under a serious misunderstanding... Now... Interpreter, please convey this to him. Mr. Rogers, you are deeply mistaken. Whether you choose to

be accompanied by an interpreter for additional services is entirely your own business. However, you have an obligation to hear exactly what is said in this National Assembly, because you are appearing here as a witness. And the National Assembly has decided to communicate its intent through the simultaneous interpretation system. This is an obligation you must abide by, regardless of your own will. If you respect the National Assembly of the Republic of Korea and the Korean legal system, put on the simultaneous interpretation device. As for whether you receive any additional assistance from your private interpreter, that is of no concern to us. That is all.

(Rep. Jung Il-young) (Mic off) Chairperson, I also ...

(Chairperson Choi Min-hee) Wait, not right now.

First, put on the simultaneous interpretation device, and then you can seek help or do as you wish. You seem to be under a misunderstanding here, Mr. Rogers. The reason we permitted a private interpreter is, (Audio overlap) you are currently accompanied by a Korean attorney.

(Coupang CEO Harold Rogers) (Original statement) I would do so but, I would like to post my objection that I'm being forced to use interpretation. I don't have an attorney, and I haven't been given access to any of the documents that will be used today.

Interpretation not provided

(Chairperson Choi Min-hee) What are you doing? Silence, please.

(Coupang CEO Harold Rogers) (Original statement) This is highly irregular and I voice my objection to it. We've done so on the record and we'll do so throughout today.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) This is not normal. I'd like to raise an objection to this.

(Chairperson Choi Min-hee) That objection is not appropriate and will not be accepted.

The witness has now put on the simultaneous interpretation device. Now, please set the channel. Interpreter, please assist with setting the channel.

The reason we permitted a private interpreter was to ensure the right to receive the assistance of legal counsel. The witness requested to bring a foreign attorney, but that request was denied. Such an arrangement would only create double, multiple layers of communication barriers. Since a Korean attorney is present, we permitted a private interpreter for the Korean counsel. Is the simultaneous interpretation being provided now? Yes? Okay.

(Rep. Kim Nam-geun) (Mic off) I would like us to hear the response from the KFTC Chairperson.

(Chairperson Choi Min-hee) Please provide your response, Chairperson of the Fair Trade Commission.

(Rep. Kim Nam-geun) (Mic off) Please explain what measures the Lee Jae-myung administration intends to take regarding monopolistic and abusive practices such as Coupang's self-preferencing.

(KFTC Chairperson Ju) Yes, the market share has changed continuously and significantly over the past five years. So now the market share has increased considerably. Therefore, we will actively review whether it constitutes a market-dominant operator, and we are already reviewing it that way.

(Chairperson Choi Min-hee) When will you review it? When?

(KFTC Chairperson Ju) Now, in the case of the tie-in sale case, the Examiner's Report has been prepared, and deliberation is scheduled to take place soon.

(Chairperson Choi Min-hee) For us... "soon" — what does that mean? When exactly is the meeting...?

(KFTC Chairperson Ju) It is scheduled for January 7.

(Chairperson Choi Min-hee) January 7?

(KFTC Chairperson Ju) Yes.

(Chairperson Choi Min-hee) Since it is scheduled for January 7, I think the National Policy Committee should keep tracking this. Yes. Rep. Kim Young-bae, please proceed with your questions. Sirs/madams, please speak slowly, and make sure to finish exactly when your seven minutes are up.

(Rep. Kim Young-bae) Yes, this is Kim Young-bae from Seongbuk Gap, Seoul, serving on the Foreign Affairs and Unification Committee. Deputy Prime Minister Bae.

(Deputy Prime Minister Bae) Yes.

(Rep. Kim Young-bae) Has the President ever given an order to bankrupt Coupang?

(Deputy Prime Minister Bae) No, he has never said such a thing.

(Rep. Kim Young-bae) Then, KFTC Chairperson.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Young-bae) Has the KFTC ever carried out actions against Coupang such as dawn raids, evidence fabrication, or depriving them of the right to legal counsel?

(KFTC Chairperson Ju) No, we have not.

(Rep. Kim Young-bae) Now, some individuals in the U.S. seem to have been lobbied by Coupang, and they are spreading fake news and making absurd claims. Last year, Coupang reportedly spent USD 3.87 million on lobbying, which is the fifth largest amount, following Samsung, SK, Hanwha, and Hyundai Motor. Among the target agencies, the USTR is said to be the most lobbied, followed by the Department of Commerce. So, looking at this, it seems like they are preparing for trade disputes. If Coupang were a U.S. company, lobbying about its U.S. operations would make sense, right? But why would they lobby the USTR? So, who should I ask about this? Deputy Prime Minister Bae, what do you think? Normally, when a company lobbies in the U.S., why would they focus on the USTR and the Department of Commerce?

(Deputy Prime Minister Bae) That part might be better addressed by another ministry since the Ministry of Foreign Affairs is also present...

(Rep. Kim Young-bae) Yes, I was planning to ask. Vice Minister of Foreign Affairs, please come forward. In the U.S., what does the USTR do?

(MOFA Second Vice Minister Kim) It's the Office of the United States Trade Representative.

(Rep. Kim Young-bae) Why would Coupang lobby the Trade Representative?

(MOFA Second Vice Minister Kim) I can't give a personal assumption, but I think it could be in preparation for potential trade disputes between Korea and the U.S.

(Rep. Kim Young-bae) Coupang seems to believe that Korea and the U.S. will have a trade dispute, and since it's a U.S.-based company, it intends to defend its interests by siding with the U.S. against Korea. That's what I see as the purpose of Coupang lobbying the USTR. Am I right? Would that be correct?

(MOFA Second Vice Minister Kim) Lobbying is legally permitted in the U.S., so I understand that companies lobby for various reasons.

(Rep. Kim Young-bae) Now, on January 19 this year, the TikTok ban law took effect in the U.S. Simply put, because TikTok is a Chinese company, the law was enacted in January to protect U.S. citizens' information by banning TikTok. The argument seems to be that it is acceptable to ban TikTok to protect U.S. citizens' data, but that it is problematic when Korean citizens' data is leaked. Earlier, Congressman Darrell Issa also wrote that this would serve as a stepping stone for broad regulatory barriers against U.S. companies, and that the Korea Fair Trade Commission is taking discriminatory measures. Vice Minister, do you agree with that?

(MOFA Second Vice Minister Kim) ...

(Rep. Kim Young-bae) All right. Now, I'd like to ask Mr. Harold, the CEO. In the U.S., the TikTok ban law has taken effect, showing how seriously the U.S. values personal information. In 2021, T-Mobile experienced a personal information leak affecting 76 million people and paid about KRW 7.35 trillion in costs. In 2016, Facebook experienced a data leak affecting 87 million users and was fined KRW 7.36 trillion in punitive damages. Now, in Korea, more than 33 million people's data has been leaked. How do you think responsibility should be taken for this?

(Coupang CEO Harold Rogers) (Original statement) On the issue of being held accountable, I leave that to our various regulators and the National Assembly. We follow our regulators and we follow the law in Korea in everything that we do, and we will continue to do so.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I would like to leave the matter of accountability to this National Assembly and the regulatory authorities. We comply with the regulations set by the authorities.

(Rep. Kim Young-bae) I knew you'd give such an empty answer. Let me ask the KFTC Chairperson.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Young-bae) From the KFTC's perspective, regarding such a massive personal information leak that occurred in Korea, a U.S. congressman claimed earlier that the Korean authorities' measures are discriminatory. Do you agree?

(KFTC Chairperson Ju) I do not agree.

(Rep. Kim Young-bae) In what respect do you disagree?

(KFTC Chairperson Ju) The KFTC applies the law in a fair and non-discriminatory manner to both domestic and foreign companies.

(Rep. Kim Young-bae) In the report submitted by Coupang to the U.S., there's something called forward-looking statements. Under the Private Securities Litigation Reform Act of the U.S., there's a 'safe harbor' provision granting immunity. If you look at that section, you can see the specific words they use. Please put it up on the screen. There are phrases like "cannot reasonably estimate," meaning they claim they cannot calculate the damage. You can see a list of such terms there. They used these phrases to draft the report, which clearly suggests they anticipated lawsuits and prepared the report for litigation purposes in the first place. This is how these legal tricksters are playing games with the law. Furthermore, in this year's Q3 lobbying report, they mentioned U.S. agricultural and livestock products, stating that they aim to enable U.S. agricultural and livestock producers to make greater use of Coupang's infrastructure. At that time, Hyundai Motor of Korea was paying an average of about KRW 780 billion in tariffs per month. And yet... (Mic off)
(Statements made after the mic off) Should I keep going? 7 minutes... I'll do it later.

(Chairperson Choi Min-hee) Yes, please proceed with additional questions. Rep. Kim Woo-young, you have the floor.

(Rep. Kim Woo-young) Yes, let's take a look at the email in the PPT. Yes, this is the threatening email the perpetrator sent to Coupang on November 25. Ah, Minister of Science and ICT.

(Deputy Prime Minister Bae) Yes.

(Rep. Kim Woo-young) Looking at the content of that email, the user data confirmed from the Coupang app and website in Korea are as follows: more than 120 million pieces of shipping address data, more than 560 million pieces of order data, and more than 33 million pieces of email address data. It specifies that these are the confirmed user data. Below, it says, 2,959 email account users have been identified, and security-related notification emails have been sent to them. The leaker notified these 2,959 people that "your related information has been leaked." In the latter part of the document, it states, quote, "For evaluation purposes, only a very limited portion of the data was analyzed and extracted, and all personal information will subsequently be irreversibly de-identified." Minister, Coupang announced that the perpetrator of the leak reviewed or identified only 3,000 accounts, and that all remaining data was deleted. That is correct, is it not?

(Deputy Prime Minister Bae) Yes, but I cannot agree. More than 33 million names and email addresses were leaked, and this fact was confirmed by the Personal Information Protection Commission, the National Police Agency, and the joint investigation team. Additionally, we believe that the delivery address book and order history data were accessed and leaked according to the threatening email, and an investigation is currently underway accordingly.

(Rep. Kim Woo-young) So, on November 25, the perpetrator sent an email to Coupang saying, "I have this massive amount of information, your security has loopholes, take action," which was a threatening message. But according to Coupang's announcement on December 25, the same perpetrator "disposed of the related laptop due to extreme anxiety and fear," which is an absurdly contradictory statement. However, these findings were not established by our public-private joint investigation team, but through Coupang's own investigation. I believe this raises concerns about the rigor of our investigative process and the need to preserve evidence in a pure and unaltered state. There seems to be a possibility of evidence destruction or tampering. What is your view on this?

(Deputy Prime Minister Bae) The government currently has an official investigation team, and investigations are being conducted by the Personal Information Protection Commission and the National Police Agency. I'd like to express serious concern about the fact that these unagreed results were announced in advance.

(Rep. Kim Woo-young) The Ministry of Science and ICT has checked the data log, the access records, correct?

(Deputy Prime Minister Bae) Through log verification, we confirmed that names and emails were leaked, and additionally, we're in the process of confirming as to the shipping address list and order history.

(Rep. Kim Woo-young) So it's not the 3,000 cases that Coupang is referring to, but rather 33 million log records, correct?

(Deputy Prime Minister Bae) 33 million cases of leakage occurred.

(Rep. Kim Woo-young) That's correct. But even today, Coupang officially reported to the U.S. SEC that they confirmed only 3,000 accounts had been leaked through cooperation with and under direct instruction from the Korean government. Isn't that a false report?

(Deputy Prime Minister Bae) There were no government instructions.

(Rep. Kim Woo-young) Now, Mr. Rogers, you are currently a U.S. attorney and Coupang's general counsel, correct?

(Coupang CEO Harold Rogers) (Original statement) Yes.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes.

(Rep. Kim Woo-young) Coupang announced a so-called compensation plan worth KRW 1,685 billion, approximately. The plan mainly included conditional coupons as part of the compensation package. However, I believe that providing compensation in the form of coupons clearly constitutes tie-in sale, which is a violation of Korea's Fair Trade Act.

Furthermore, under the U.S. Class Action Fairness Act, these coupons would also be subject to rejection of approval. "When a class action settlement is to provide coupons to plaintiffs, attorney fees must be based on the actual value of redeemed coupons" - This is an established precedent in U.S. courts. So, distributing coupons instead of cash to cover up a case is a violation of the U.S. Class Action Fairness Act.

Let's look at the court ruling for the HP inkjet printer case. It clearly states that the purpose of CAFA enacted by the federal court is to prevent abuse. It criticizes the practice where attorneys collect enormous fees while victims receive essentially worthless coupons.

So, while calling this a compensation plan, in reality, it constitutes tie-in sale, a violation of the Fair Trade Act, and also deprives individuals of the right to erase their traces online.

I myself have withdrawn from Coupang. To receive compensation, a withdrawn member must rejoin. This constitutes a violation of the U.S. Class Action Fairness Act and Korea's prohibition on the tie-in sale under the Fair Trade Act. How do you respond to presenting this as a compensation plan?

(Coupang CEO Harold Rogers) (Original statement) On the U.S. law, that's incorrect. That's in the setting of a lawsuit. This is a voluntary compensation package being offered. In addition, you said numerous times that this was a self-investigation. It was not. We investigated at the direction of the government. We've been working with them for over a month. We've provided all of this

information, all of it with the police, and I don't understand why the government has not shared this information with the people.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Under U.S. law, regarding U.S. law, that is not accurate. That pertains to class actions, whereas we are talking about a voluntary compensation plan. You have mentioned many times that this was Coupang's own investigation. We conducted the investigation under government instructions. We cooperated for more than a month.

(Chairperson Choi Min-hee) We will stop there because that goes beyond the scope of the question. Yes, Representative Kim Hyun-jung, please proceed with your questions.

(Rep. Kim Hyun-jung) I have a question for the Chairperson of the Personal Information Protection Commission.

(PIPC Chairperson Song) Yes.

(Rep. Kim Hyun-jung) The cause of this incident was not hacking but a very basic security failure—failing to delete the access rights of a former employee. Correct?

(PIPC Chairperson Song) Yes.

(Rep. Kim Hyun-jung) If you look at the ISMS-P information security management certification standard that Coupang holds, it states that access rights must be revoked immediately upon resignation. However, they failed to comply with this most basic requirement. What's even more shocking is that before this leak, there were three previous leaks, and each time, the PIPC reduced the fines by 50 percent on the grounds that Coupang had ISMS-P certification and voluntarily reported the incidents. You are aware of this, correct?

(PIPC Chairperson Song) Yes.

(Rep. Kim Hyun-jung) This time, it has been clearly confirmed that the accident occurred because Coupang did not comply with the ISMS-P certification standard. Correct? You must not reduce the penalty again just because they are a certified company.

(PIPC Chairperson Song) Yes, we are reviewing this strictly.

(Rep. Kim Hyun-jung) And you are aware of the recent amendment to the Personal Information Protection Act that the National Policy Committee recently passed, aren't you?

(PIPC Chairperson Song) Yes.

(Rep. Kim Hyun-jung) The key point was raising punitive fines from 3% to 10% of the sales amount. It also clearly stated that willful misconduct or gross negligence does not qualify for any reduction. Therefore, I believe failing to manage the access key of a former employee is not a simple mistake but obviously constitutes gross negligence. Do you agree?

(PIPC Chairperson Song) Yes. I believe it constitutes a very serious level of negligence, and we are currently conducting a thorough investigation.

(Rep. Kim Hyun-jung) And as you know, during the recent amendment process of the Personal Information Protection Act, we tried to include damage compensation in group litigation, but it was blocked by the opposition party. You are aware of that, correct? And currently, the class action law is

still pending in the Legislation and Judiciary Committee and has not been passed. In this situation, Coupang victims have virtually no way to receive substantial compensation. Unlike in the U.S., they cannot file a class action for damages. So my point is, if the government, especially the PIPC, imposes only a slap-on-the-wrist fine, incidents like this will inevitably recur. Therefore, I believe that in this Coupang case, there should be zero reduction in fines. Will you commit to that?

(PIPC Chairperson Song) Yes, regarding the matters about fines, as you mentioned, the Commission plans to conduct a thorough investigation and consider all factors strictly before making a decision. As you know, the final fine amount will be determined through deliberation and resolution by the Commission. So during that process, we will carefully consider all elements and proceed with proper discussion and decision-making.

(Rep. Kim Hyun-jung) Please keep in mind that the entire nation is watching. Please take strict action.

Next, I have a question for Mr. Rogers.

Looking at Coupang's response, it is hard not to criticize that you are treating the Korean people and the National Assembly lightly. Earlier, yesterday, Coupang announced its compensation plan, which includes providing a KRW 50,000 voucher. But KRW 40,000 of that is discount coupons for your own services—Coupang Travel and R.Lux—which customers rarely use. R.Lux is a luxury goods service, correct? The cheapest item there, socks, costs over KRW 30,000. I can't help but think this so-called compensation forces victims to spend more money and seems like a deceptive promotional campaign disguised as relief, aimed at promoting unpopular services and preventing users from leaving Coupang.

In previous cases of data leaks in Korea, courts and all precedents involved at least KRW 100,000 in compensation. Instead of this token KRW 50,000 promotional gesture... In the recent case of KT, KT provided an active compensation plan— they covered device replacement costs of KRW 150,000, provided 100GB of free data for five months, and reduced telecom fees.

On the other hand, I think, Coupang's plan is rather deceiving the public. Do you have any intention to present a more substantial compensation plan instead of this one? Please answer with Yes or No only.

(Coupang CEO Harold Rogers) (Original statement) First, you said that we were disregarding the Korean government, which is not true. We've been working with them since December 1st, cooperatively and at their direction. If you take a look at this compensation package which is worth 1.7 trillion won...

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) First of all, you mentioned that we ignored the Korean government, but that is not true. We have been cooperating with the Korean government since December 1 and have followed its instructions. We are reviewing the compensation plan.

(Rep. Kim Hyun-jung) Are you willing to submit a better compensation plan, just answer Yes or No. I'm just asking if you are willing to present a better compensation plan. Will you do it?

(Coupang CEO Harold Rogers) (Original statement) Our compensation package is worth 1.7 trillion Korean won, which we believe is unprecedented.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) Our compensation plan amounts to about 1.7 trillion won, and we believe this is an unprecedented compensation plan.

(Rep. Kim Hyun-jung) Please stop for a moment, Chairperson. Uh, NPA Acting Commissioner General Yoo Jae-sung, could you step forward?

So, we understand that you have no further intention to compensate, right?

Now, Mr. Acting Commissioner, could you take a look at the presentation? Those are the photos said to be of the laptop retrieved from a river in China using divers. But in that vast land of China, with no visibility, in muddy water, and without police presence, they managed to find that in one go—does that make sense to you? And, moreover, how could that eco-bag, which was supposedly submerged underwater, be so clean? And another thing—the evidence was thrown away to be destroyed, yet how could it be put in a bag with a clearly visible Coupang logo? To any reasonable observer, this appears to be nothing more than a self-staged fabrication to create the appearance of gathering evidence.

And even if we generously assume they did find it, Coupang, a private company, conducted forensic analysis on the laptop, which is a key piece of evidence in an ongoing investigation, without police oversight. And they completed the forensic analysis in just three days. But the report was submitted to the National Police Agency on the 21st, and the police are still conducting forensic analysis to this day. It's not even possible to complete forensic analysis in three days. So what Coupang did goes beyond contaminating evidence—it amounts to tampering with evidence, in my view. And here's why: because... (Mic off)

(Statement after mic off) Coupang's stock price plunged by 17% following the data leak. What this was intended to do was to prop up the stock price and to create an alibi in the face of the class-action lawsuits that are now pending. That is why they acted in this manner.

In fact, the announcement was made on Christmas, and the stock price surged by 6.4% the very next day. Currently, 500,000 individuals are filing class-action lawsuits through nine domestic law firms. However, Coupang unilaterally announced that only 3,000 records were leaked and disclosed externally, rather than 34 million, effectively downplaying the scale of the incident.

I believe this constitutes an extremely malicious felony that encroaches upon the legal system and investigative sovereignty of Korea. I am of the view that there must be an immediate investigation and severe punishment regarding Coupang's destruction of evidence, manipulation, and obstruction of investigation. What is your position on this matter?

(NPA Acting Commissioner General Yoo) Yes, we will conduct a thorough review considering all those aspects as well.

(Chairperson Choi Min-hee) Since Mr. Rogers keeps repeating his answer like a parrot, let me confirm one thing before proceeding. Witness Park Dae-jun?

(Former CEO Park Dae-jun) Yes.

(Chairperson Choi Min-hee) You've seen the measures Coupang announced yesterday, right? Things like giving out coupons.

(Former CEO Park Dae-jun) Yes, yesterday, the media...

(Chairperson Choi Min-hee) At what level in the company are those plans made?

(Former CEO Park Dae-jun) Plans are perhaps... I honestly don't know how they were planned.

(Chairperson Choi Min-hee) No, listen. When you were at Coupang, where were the countermeasures for such issues prepared? Mr. Rogers wouldn't have made them himself, right? At what level are they created?

(Former CEO Park Dae-jun) Well, if I refer to the time when I was there, of course I participated and worked together with the executives of relevant departments... (Interrupted)

(Chairperson Choi Min-hee) I'm asking which are the relevant departments.

(Former CEO Park Dae-jun) Yes, well, the legal team would certainly be involved.

(Chairperson Choi Min-hee) Yes. Legal. And then?

(Former CEO Park Dae-jun) And then... well... since this is just hypothetical, it's really difficult for me to give a clear answer. My apologies, Chairperson.

(Chairperson Choi Min-hee) You're saying the legal team was involved, correct?

(Former CEO Park Dae-jun) No, what I meant was that if I had been involved, I would likely have sought legal advice.

(Chairperson Choi Min-hee) Now we're not getting anywhere with Mr. Rogers, right? He keeps repeating that he cooperated with the government. Well, it seems the head of the legal team would have been ultimately involved, and it also seems so based on the answers so far. So please, direct your questions to Korean witnesses. Rep. Noh Jong-myun, please proceed with your questioning.

(Rep. Noh Jong-myun) Yes, Former CEO Park, could you come over here? I'd like to make eye contact while I ask my questions.

(Former CEO Park Dae-jun) Yes, sir.

(Rep. Noh Jong-myun) And please bring up the PPT. This is the email that Rep. Kim Woo-young asked about earlier. You received this email during your tenure as CEO, correct? The subject line reads "Breach Alert," warning about data breach, data leak.

(Former CEO Park Dae-jun) Yes.

(Rep. Noh Jong-myun) Let's look at the next slide. Here, the person warning about the leak clearly wrote the numbers of the data that they personally confirmed. 2,959 emails with "@coupang.com" domain. At the bottom, 33 million refers to all email addresses. And in the middle, 120 million refers to delivery addresses. That's how you understand it, correct?

(Former CEO Park Dae-jun) Yes, that's correct.

(Rep. Noh Jong-myun) Then why do you reduce it to 3,300 cases?

(Former CEO Park Dae-jun) Ah, well—

(Rep. Noh Jong-myun) I believe that will come out during the investigation. Let me ask you something else. Sellers provide good products, and Coupang combines them with its powerful distribution network so that sellers, vendors, and Coupang can thrive together. That's the business model Coupang aims for, isn't it?

(Former CEO Park Dae-jun) Yes, that's correct.

(Rep. Noh Jong-myun) Yes, I assume that's how you understand it. Open marketplace claims to follow that model. More specifically, as far as I know, Coupang has three business models. There's a typical open marketplace – Internally, you call it 3P, right?

(Rep. Noh Jong-myun) The seller delivers directly when a customer makes a choice, correct? And 2P seems to be what you internally call Rocket Growth... Wait, sorry, it's far too noisy in here right now. Please pause the clock. I'll resume my questioning once the floor is settled.

(Chairperson Choi Min-hee) Please wait a moment. There are many reporters here, and they're not only blocking the witness's view but also obstructing the line of sight between the members and the witness, so we're just trying to organize things.

(Rep. Noh Jong-myun) This isn't part of my questioning—I just want our reporters to understand the situation. When we capture a close-up of the witness, the split screen shown to the public should display both the member asking the question and the witness responding. But right now, the backs of your heads are showing. So please adjust your camera angles.... We use that camera over there, the CCTV camera. I kindly ask you to take these shooting angles into consideration when covering the session.

Let me continue with my questioning—so earlier I mentioned 3P, and then there's 2P, which you call Rocket Growth internally. Under this, sales are made directly by sellers, but if sellers deliver quickly to Coupang, then Coupang takes responsibility for the remaining delivery, etc., correct?

(Former CEO Park Dae-jun) Yes, that's correct.

(Rep. Noh Jong-myun) And there is 1P, under which Coupang directly purchases products from sellers that had been onboarded on the platform and sells those products directly. Is that correct?

(Former CEO Park Dae-jun) Yes.

(Rep. Noh Jong-myun) If you look at that PPT – 3P, 2P, 1P – Well, I think they're all possible sales methods. But take a look at the bottom – the sales fee Coupang takes. When we talk about Rocket Delivery, it usually includes both 2P and 1P. However, since 1P involves Coupang's direct purchasing in advance, the delivery speed can be a little faster, right? So, look at the sales fee. It's four or five times higher. This business model is currently in operation, correct?

(Former CEO Park Dae-jun) Well, sir, since there is no sales fee for 1P, I'm not sure what those 40 to 50 means.

(Rep. Noh Jong-myun) Well, you should be purchasing those products from the sellers at wholesale prices, correct?

(Former CEO Park Dae-jun) Yes, that's correct.

(Rep. Noh Jong-myun) You should be buying them at prices lower than the retail prices. Isn't that correct?

(Former CEO Park Dae-jun) Yes, by purchasing in bulk... (Interrupted)

(Rep. Noh Jong-myun) Yes, in many cases, that's about half the selling price—or even less. Let's verify those facts later.

(Former CEO Park Dae-jun) Okay.

(Rep. Noh Jong-myun) Naturally, under the 1P model, Coupang retains a larger margin, correct? And you are effectively encouraging sellers to operate on a low-margin, high-volume basis, isn't that right?

(Former CEO Park Dae-jun) Yes.

(Rep. Noh Jong-myun) Otherwise, there would be no reason to operate under the 1P model. At least there has to be high volume. But the problem is that the vendors—the sellers—have to choose between 2P and 1P. They must decide whether to accept low margins in exchange for high volume, or to pay a small fee and sell directly. That decision should rest with the vendors, correct?

(Former CEO Park Dae-jun) Yes, we allow vendors to make that choice.

(Rep. Noh Jong-myun) Right, but if you pressure or threaten them to switch to 1P, is that fair business practice?

(Former CEO Park Dae-jun) Uhm... (Interrupted)

(Rep. Noh Jong-myun) It's not, right?

(Former CEO Park Dae-jun) Correct.

(Rep. Noh Jong-myun) Then we can assume that there were no such cases, correct?

(Former CEO Park Dae-jun) We have policies in place to prevent that from happening.

(Rep. Noh Jong-myun) So you're saying there were no such cases?

(Former CEO Park Dae-jun) As far as I know, if I had known, it would have been... (Interrupted)

(Rep. Noh Jong-myun) Then let's listen to a recording of a case that occurred when you were with Coupang. Please play it.

(Recorded call between a Coupang insider and a seller)

This is actually confidential and should not be disclosed to vendors. But internally, among vendors participating in Rocket Growth under 2P, if their sales grow significantly, there's a sort of a tendency, uhm, to forcibly switch them to Rocket... We usually call that RP designation. Apparently, this was designated as RP at the end of last month. Once RP designation occurs, the 1P team may take measures with respect to the 2P products, such as blocking them from being stocked or they can prevent the products from being taken into inventory. If the 1P side decides that a particular vendor needs to be switched to 1P, they simply suspend all inbound inventory. Then, the vendor is effectively forced to switch to 1P.

(Rep. Noh Jong-myun) They simply suspend inbound inventory, if vendors do not comply. If that approach works, the vendor is switched to 1P. Coupang then directly purchases the products at low prices and sells them through what it calls Rocket Delivery. After hearing this explanation – which was from a Coupang employee – the seller says it's chilling. Let's listen.

(Recorded call between a Coupang insider and a seller)

(Reporter – Coupang Seller) If we're no longer allowed to send in inventory and can't register our products,

(Coupang Employee A) Yes.

(Reporter – Coupang Seller) Then does that mean we basically have to leave the platform, or switch from Growth to regular seller sales?

(Coupang Employee A) Well, usually, sellers either switch to 1P, or switch to regular sales – something along those lines. And if your new product registrations have been blocked, there's a strong likelihood that before long, even inbound inventory for your existing products will be blocked as well.

(Reporter – Coupang Seller) Wow, that's chilling. Yesterday, the person in charge of Rocket Growth also told me to check if the inbound request button was working.

(Coupang Employee A) You need to discuss quickly and move forward with follow-up steps right away. Because if things get blocked like this, you won't be able to do anything. It's unfortunate and absurd...

(Reporter – Coupang Seller) They're moving in a really ruthless way.

(Coupang Employee A) But Coupang makes up the largest share of your sales, so you can't really afford to give this up, can you?

(Reporter – Coupang Seller) No, it's not easy. Not right now.

(Rep. Noh Jong-myun) Because Coupang's share is so large, most vendors give in to this pressure disguised as a proposal. There are people who resisted and suffered loss as a result. In this reported case, I heard their sales were cut in half over the course of just one month after the vendor refused. So they simply can't endure it. Were you really unaware of such cases? My office alone has identified dozens of such individuals. Are you saying you did not know? These vendors are even forming a group—were you unaware of that as well? Please return to your seat. Chairperson Ju of the KFTC.

(KFTC Chairperson Ju) Yes.

(Rep. Noh Jong-myun) You said Coupang isn't yet in a market dominant position. Should we just leave it as is? What measures can be taken?

(KFTC Chairperson Ju) Based on the reported case we just heard, I guess we will need to verify the facts regarding interference with another business operator's business or abuse of bargaining position, and review accordingly.

(Rep. Noh Jong-myun) That's all for my questioning.

(Chairperson Choi Min-hee) We will be holding another hearing tomorrow, Chairperson. Please instruct your staff immediately so that you can provide a clear and definitive answer tomorrow. You will do so, won't you?

(KFTC Chairperson Ju) Ah, with respect to the investigation, I'm afraid I can't share the details in here... (Interrupted)

(Chairperson Choi Min-hee) No. What Rep. Noh asked just now is what we have just heard and confirmed through this recording falls under the jurisdiction of the KFTC and the question is which laws apply and what measures can be taken.

(KFTC Chairperson Ju) I can answer that now, as I mentioned earlier. It can be governed under the category of two unfair practices under Article 5, Paragraph 1 of the Fair Trade Act—unfair interference with business activities or abuse of bargaining position.

(Chairperson Choi Min-hee) Okay.

(Rep. Noh Jong-myun) (Statement after mic off) So as of now, you're saying this does not constitute an abuse of market dominant position?

(KFTC Chairperson Ju) We'll review that as well.

(Chairperson Choi Min-hee) Didn't you say you'll do that on January 7?

(KFTC Chairperson Ju) On January 7... so there are two cases. One is about a violation of the Large Retail Business Act—specifically, whether profits were unfairly obtained through advertising costs. And there's the other case regarding tie-in sales. I previously said that January 7 was for the tie-in case, but that was not correct – it is about a violation of the Large Retail Business Act. The tie-in sale case will be deliberated in the first half of next year.

(Chairperson Choi Min-hee) How could the government... A task force has been established, right?

(KFTC Chairperson Ju) Yes.

(Chairperson Choi Min-hee) Rep. Park Hong-bae, please proceed with your questions.

(Rep. Park Hong-bae) Yes, this is Park Hong-bae. On Christmas Eve, December 24, I visited Coupang's headquarters in Songpa. What I was able to confirm at Coupang's headquarters was that none of the Korean Coupang executives that were present during that visit, including CLS Representative Director Hong Yong-jun and CFS Representative Director Jung Jong-chul, were in a position that can have any direct communication with Chairman Bom Kim, who is responsible for this entire situation. It appears that the only people who have communicated with him so far are his brother, Kim Yoo-suk, or Park Dae-jun, who is here today but has resigned, and perhaps Harold Rogers. I cannot ask the former CEO, and it is highly questionable how Harold Rogers is communicating.

Therefore, I will begin my first question by directly conveying the public outrage to Bom Kim, who is likely watching this hearing from outside of Korea, and Coupang's key figures.

Bom Kim and Coupang seem to still be wandering in a dream. You have already provoked the emotions of the public. You must first recognize that this is not a situation that can simply be glossed over or fade away with time.

Even if Coupang is an American company, and even if the United States—or its ancestors—put pressure, this time you cannot simply get away with it. The reason is that Bom Kim and Coupang have mockingly insulted the pride of the Korean people and, in effect, constitutes a serious breach of national integrity. This was a problem that did not need to escalate to this extent, yet Bom Kim and Coupang chose to make it worse. A stitch in time would have saved nine but it didn't and now everything is falling apart. Therefore, I warn you that unless Bom Kim steps forward and Coupang undergoes a complete transformation, this public outrage will never subside.

Coupang has not only engaged in unlawful, illegal, and evasive practices but also orchestrated a scheme to lobby the U.S. government to block enactment of the Online Platform Act and to pressure the Korean government and National Assembly. Truly remarkable. No Korean conglomerate, nor any foreign-invested company in Korea, has ever engaged in lobbying this blatantly.

Ahead of the Korea-U.S. summit in Washington last August, the U.S. side reportedly pressured Korea not to regulate U.S. companies. It is known that this issue was suddenly raised by the U.S. in connection with Korea-U.S. tariff negotiations. This occurred at a critical moment when the fate of the nation was at stake. Coupang may deny it, but the media and the public already know.

Ultimately, what Bom Kim and Coupang are doing is selling out the Korean government and people for their own profit. This is the same as the treason committed by Lee Wan-yong 120 years ago, and it is no different from the far-right forces lobbying and pressuring the U.S. to punish the Lee Jae-myung administration.

While the business domain and structure resemble that of a cutting-edge online platform company, the behavior is nothing more than the vulgarity of outdated *chaebols* we have seen countless times before. We have all seen this before, haven't we? The owner hides behind the scenes, shifts responsibility to working-level executives, and cuts off the tail. When appearing in court, they wear masks and ride wheelchairs to feign illness. They hire major law firms, exploit every legal loophole, drag out proceedings, and exhaust the victims. Then, in the end, they pay a small sum to make the problem go away. They lobby with money, manipulate the media, cover up negative issues, and sweep misconduct under the rug. Then, a few years later, the same problems resurface, and the exact same behavior is repeated. Coupang seems to be following this path. Based on what it has been doing so far, that is the case. Coupang has placed legal professionals in executive positions, brought in individuals from political circles to handle government relations, hired major law firms to bury issues through legal tactics, and even recruited retired labor inspectors to neutralize labor oversight.

Instead of apologizing to the public and making efforts to prevent recurrence, Coupang is pressuring and intimidating the government and political circles. I am delivering this message on behalf of the people. If you are that confident, then disclose everything you have done so far in lobbying and government relations—every document you hold, every piece of information you have obtained. Stop leaking bits and pieces to distort the essence of the matter immediately.

Our people once mistakenly believed that Coupang, which had somehow penetrated our daily lives, was a national company. They misunderstood it as a firm comparable to leading global enterprises. They hoped it would grow into Korea's representative online platform company and surpass global giants like Amazon in the U.S. or Alibaba in China.

But now the public realizes that Coupang is not a Korean company but an American one, and that its owner, Bom Kim, is not Korean but a U.S. citizen, using the money earned here to contribute to American society and lobby the U.S. government and political circles.

Bom Kim has betrayed the Korean people, mocking their expectations and support. While generating over 90% of its sales in Korea, Coupang treated Korean consumers as mere targets for profit. Bom Kim and Coupang will inevitably pay the price for exploiting the people without respect.

A platform is a social square and marketplace, where rational competition and trust among businesses, participants, and consumers are vital. Yet Bom Kim, after causing a major incident, is trying to escape through cunning arguments and by leveraging the U.S. government. Recently, Bom Kim and Coupang have acted like market dominators, predators, and invincible giants. This approach will only lead to public and consumer rejection and stern judgment.

People may choose different courses of action—whether to leave Coupang altogether or to maintain their accounts—but they are closely watching how Bom Kim handles and resolves this situation.

Beyond addressing and resolving the personal information leak, without comprehensive management reform and a fundamental transformation—one that also tackles labor conditions and the alleged misappropriation of data from platform merchants—the current situation can never be overcome.

In Korea, even presidents are impeached and judged by law, and no matter how powerful or wealthy one is, if there is no reasonable justification acceptable to the people, they will rise and deliver a decisive judgment. This is Korea, and these are the Korean people. You should fear the people. Appear before the National Assembly immediately... (mic off)
(Statement after mic off) Stop mocking the people, stand before Korean citizens, kneel, apologize, and demonstrate a responsible attitude. I will wrap up here.

(Chairperson Choi Min-hee) Rep. Son Myung-soo, please proceed with your questions.

(Rep. Son Myung-soo) Yes, this is Son Myung-soo. Following the points raised by Rep. Noh Jong-myun and Rep. Park Hong-bae, I believe my questions will be along the same lines. Coupang's attitude of mocking, ridiculing, and disregarding the Republic of Korea and its people has gone far beyond acceptable limits. I wonder if saying anything to Coupang even has meaning at this point. I believe it is time for the Korean people and consumers to demonstrate our self-respect and strength. And our government must demonstrate strict law enforcement through proper legal action.
I would like to highlight how predatory and greedy Coupang has been in building its business network and conducting its operations, and point out that these practices are highly likely to violate the Fair Trade Act and the Large Retail Business Act. So, I ask the Chairperson of the KFTC to listen carefully.

(KFTC Chairperson Ju) Yes, understood.

(Rep. Son Myung-soo) This may already be familiar to you, but let me show you. Please put up the slides.

The system used by Coupang differs from that of general parcel delivery services. In the case of regular parcel delivery services, there is a shopping mall that acts as the shipper; when a consumer orders from the mall, the goods are sent via a courier to a logistics warehouse and then delivered to the end consumer. During this process, the consumer pays for both the product and the shipping fee.

However, Coupang established a dominant position through its so-called "Rocket Delivery" system. In the beginning, how was same-day delivery possible under the Rocket Delivery system? Coupang directly purchased goods, stocked them in its warehouses, and delivered them immediately upon receiving orders. That's how speed was achieved. And in the early stage, Coupang also sold certain items at prices lower than its purchase cost, thereby creating what is known as a lock-in effect. This is how the company secured its dominant position.

Once its dominance was firmly established, Coupang introduced "Rocket Growth" to attract general sellers. This system is also different. Unlike traditional courier services, sellers are required to pre-stock their inventory in Coupang's warehouses. When orders come in, the goods are shipped out immediately. In exchange, sellers are charged various fees for each step – for inbound shipping, outbound shipping, and even for the return of excess inventory. Next slide, please.

As a result, general sales characterized as Rocket Growth have now surpassed those of Rocket Delivery or direct purchases. Next.

Look here: Rocket Growth – Let's set aside direct purchases mentioned earlier. When sellers use Coupang's platform to sell goods, shipping fees – which were once subdivided into three tiers – are now divided into six tiers and have significantly increased. Additionally, inbound and outbound handling fees, which were previously included in shipping fees, are now charged separately—ranging from KRW 1,650 to KRW 2,400 per transaction. A new return pick-up fee has been introduced, from KRW 2,200 to KRW 9,500. Sellers also must pay for re-stocking returned goods and for removing unsold inventory. Furthermore, the storage period has been shortened from 60 days to 30 days. Next.

This storage period is burdensome to sellers, so Coupang introduced a new plan called “Saver.” For a monthly fee of KRW 9,900, the plan allows for free returns, pick-ups and restocking within 60 days. Sellers are practically forced to subscribe because the logistics costs – which have become fixed costs – are now overwhelming. Next.

Sellers are being heavily sacrificed. They are required to maintain the lowest price, and advertising costs are almost mandatory. If sellers do not comply with Coupang’s designated pricing, their products are effectively removed. Next.

Popular products are hijacked. Coupang analyzes data and converts the best-selling items into its own direct-purchase products, sold at prices it dictates. This is outright abuse of power. Next slide.

Rep. Noh Jong-myun mentioned this earlier. Here’s how it works: under the marketplace model, sellers can earn a margin from their sales; however, under the direct purchase model, they are forced to sell at extremely low prices, and Coupang takes the profit. Next.

Sellers are compelled to match the lowest online prices, and if they fail, Coupang recovers the difference through increased advertising fees. For direct-purchase items, Coupang pushes suppliers to accept drastically reduced prices. This is possible only because of its monopolistic position.

Ultimately, everything boils down to the problem of monopoly. Next slide.

The exploitation through advertising costs is also severe. According to last year’s KFTC investigation, Coupang extracted 1.42 trillion solely under the category of advertising expenses. In comparison, Market Kurly collected 111 billion, Olive Young 41 billion, and SSG.COM only 65 billion. Next.

These highly predatory and unfair practices, bordering on outright abuse, in my view, are likely to violate Article 45 of the Fair Trade Act. The law prohibits business operators from engaging in acts such as: Subparagraph 6—unfairly using their bargaining position when transacting with a counterparty, and imposing conditions that unjustly restrict the business activities of a counterparty. This is clearly stated in Supreme Court precedents, which have ruled such conduct unlawful. Unfair refusal to deal, abuse of bargaining position, monopoly status, business scale, and continuity of transactions—all these factors are addressed in Supreme Court rulings. Next.

There is also a strong likelihood of violations under the Large Retail Business Act, including acts such as unfairly forcing suppliers into exclusive transactions, obstructing them from dealing with other businesses, and requiring them to provide goods, services, or economic benefits without just cause... (mic off)

(Statement after mic off) Chairperson, you understood what I have just stated, correct?

(KFTC Chairperson Ju) Yes, understood.

(Rep. Son Myung-soo) (Statement after mic off) Please review this thoroughly. This is no longer a time for words – it’s a time for action.

(KFTC Chairperson Ju) Noted. Regarding the Large Retail Business Act, as mentioned earlier, we’ve handled that case. Going forward, we will... we are continuously monitoring these issues closely and will address problems such as tie-in sales promptly.

(Rep. Son Myung-soo) (Statement after mic off) That’s all for my questioning.

(Chairperson Choi Min-hee) Please proceed with your questions, Representative Ahn Ho-young.

(Chairperson Ahn Ho-young) Before I begin my questions, I would like to speak about document requests.

(Chairperson Choi Min-hee) Yes. Pause the timer.

(Chairperson Ahn Ho-young) Alright. I have strong suspicions that Coupang is using their personnel management system... Coupang is operating a program that, in effect, forces out employees. I hereby request the relevant materials.

Coupang operates the LE and PIP systems. I am requesting the following: the status of LE designations over the past five years, the list of PIP designated employees and operational details, evaluation criteria and prior notification materials, current status of personnel actions followed after the completion of PIP, documents related to the right to explain, objection procedures...the procedures that ensure opportunity to object. The details are quite extensive, so I will provide them separately.

Can I speak with CEO Rogers directly now?

(Chairperson Choi Min-hee) Yes, you may proceed. Please begin.

(Chairperson Ahn Ho-young) I will begin.

Mr. Harold Rogers, does Coupang have an LE, or a performance evaluation system for low performers?

(Coupang CEO Harold Rogers) (Original statement) We have a performance review system, just like every other company that I am aware of.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We have a performance evaluation system. As far as I know, it is similar to what other companies have.

(Chairperson Ahn Ho-young) Is it correct that the LE system is operated as a personnel evaluation system that assesses all employees annually, classifies about 10% of them as low performers, and assigns them to PIP (Performance Improvement Plan)?

(Coupang CEO Harold Rogers) (Original statement) We run a PIP program, as constituted under Korean law.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We operate a PIP program. It is structured and managed in compliance with Korean government regulations and applicable laws.

(Chairperson Ahn Ho-young) However, according to reports confirmed by our office, during this PIP process, employees are repeatedly given tasks that are extremely difficult to achieve, and pressure premised on failure is continuously applied. As a result, most individuals subject to the program report severe stress, and this process has in fact led to their eventual resignation. So, in effect, it is ... I would like to ask the CEO directly: Is this PIP program essentially being operated with the goal of forcing out low-performing employees?

(Coupang CEO Harold Rogers) (Original statement) No, it is not. The PIP program is designed to help people, low-performers, to improve their performance and become high achievers at Coupang.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) No, it is not. The PIP program is designed to help employees improve their performance. Through this program, we aim to support employees in becoming high performers.

(Chairperson Ahn Ho-young) All right, that's enough... Since you have denied it, let me ask a few questions. Let's take a look at the PPT slides.

These are based on a survey we obtained, and here are some reports from workers who went through the PIP process. "If I really made mistakes or was seriously lacking, I could accept it. But giving an LE for an absurd reason is unacceptable. When I raised an objection to my manager about the reason, they couldn't give me an answer", "I was told that HR's goal is to get more than 50% of employees at Level 6 or above who receive an LE to resign under instruction", "I felt like killing

myself and even wanted to die... kill them. I ended up receiving psychological counseling”, “My self-esteem dropped and I was in extreme distress. During that period, I couldn’t sleep properly. I even saw cases where women discontinued their careers to avoid PIP”, “My official improvement point was communication skills, but the actual task assigned to me was completely unrelated - data analysis work.”

Mr. Rogers, did you hear this?

(Coupang CEO Harold Rogers) (Original statement) Did I hear them when you read them? Is that the question?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Are you asking whether I have read this or whether I have heard about it?

(Chairperson Ahn Ho-young) Yes, I just read it to you, and I asked whether you heard that.

(Coupang CEO Harold Rogers) (Original statement) I heard the comments and I feel for anybody who feels frustrated or demoralized.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I have heard what you said. And I empathize with those who are experiencing difficulties and feel sorry about their situation.

(Chairperson Ahn Ho-young) I will continue.

I will continue. Please show us the second PPT slide.

This is an industrial accident insurance approval card. What I find more serious here is that there is an actual case this year where an employee was approved for industrial accident compensation due to an adjustment disorder caused by the PIP process. As you can see, this document states that PIP was indeed the cause of the adjustment disorder. Please take a close look at this, CEO.

My question is: does Coupang officially track statistics on the percentage of employees who entered PIP and successfully improved their performance to return to normal duties as a result of this system?

Please respond... the timer is running.

(Chairperson Choi Min-hee) I’ll...

(Coupang CEO Harold Rogers) (Original statement) I don’t know if we keep records of how many graduate from our PIP program...

(Coupang CEO Harold Rogers) (Simultaneous interpretation) As to how many PIP people in charge... how many people have graduated from the PIP, we do not know.

(Chairperson Ahn Ho-young) So, you’re saying you don’t know. According to the data obtained by our office, 30% of employees subjected to PIP were advised to resign, 19% faced disadvantageous measures such as reassignment or pay cuts, and cases where performance improved and employees successfully returned are almost nonexistent.

Now, let’s listen to a recording, a recording of an internal company meeting. Let’s hear it.

(Recording played)

PIP is an opportunity provided by the company to help improve performance. However, if the conclusion is that the employee cannot achieve the required performance in that role, then it results in “Fail”. In such cases, we may reassign the employee’s role, suggest agreed resignation again, place them on standby, or take other personnel actions.

(Chairperson Ahn Ho-young) This statement suggests that failing PIP can lead to personnel actions or even dismissal, and it appears that this is acknowledged internally within the company. Therefore, in

my view, although the PIP system is nominally described as a performance improvement measure, in reality, it functions as a personnel management process designed with termination in mind. Vice Minister Kwon Young-jun, you're here, correct?

(Chairperson Choi Min-hee) Pause the timer.

(Chairperson Ahn Ho-young) Can we, just for a moment...

(MOEL Vice Minister Kwon) Yes, this is the Vice Minister of Labor.

(Chairperson Ahn Ho-young) There have been court rulings against similar PIP programs operated by organizations such as Korea Expressway Corporation, KB Kookmin Bank, and KT, correct?

(MOEL Vice Minister Kwon) Yes, there have.

(Chairperson Ahn Ho-young) So, the courts' position is that if a low-performer management system exists, it must have objective and fair standards—meaning sufficient opportunities for improvement and a reasonable evaluation period—to be considered legitimate, correct?

(MOEL Vice Minister Kwon) That's correct.

(Chairperson Ahn Ho-young) Recently, major domestic IT platform companies such as Naver, Kakao, LINE, and Samsung Electronics have been moving to abolish PIP. However, Coupang's LE and PIP systems reportedly select the bottom 10% mechanically every year, do not disclose the criteria, and ultimately lead to a significant number of terminations. Considering these circumstances, wouldn't it be reasonable to conclude that Coupang's PIP and LE systems fall under the category of imposing employment disadvantages without just cause, as prohibited by Article 23 of the Labor Standards Act? What is your view?

(MOEL Vice Minister Kwon) If what you've stated is true, then under the Labor Standards Act, we have "just cause", and setting reasonable standards and ensuring fair opportunities for job reassignment is also required when such circumstances arise. From that perspective, there appear to be violations.

(Chairperson Ahn Ho-young) Do you intend to investigate and correct these issues?

(MOEL Vice Minister Kwon) However, in the past, there was a criminal penalty system, but now the process has been unified under the Labor Relations Commission's relief system. However, regarding the operation of such systems we realize that there are shortcomings...

(Chairperson Ahn Ho-young) Please investigate the situation and correct any wrongful practices.

(MOEL Vice Minister Kwon) We will do so.

(Chairperson Ahn Ho-young) Mr. Harold Rogers, let me ask you. It appears that, contrary to what the company and you have stated, the LE policy, which selects the targets for the PIP program, is in fact being misused—maybe it's not misuse, maybe that was the intention in the first place—it's in fact being used as a mechanism to force out low performers. Do you have any intention of abolishing this system?

(Coupang CEO Harold Rogers) (Original statement) My understanding is that our employment

performance program follows strictly the Korean law and I will make sure that it continues to do so. (Coupang CEO Harold Rogers) (Simultaneous interpretation) As I understand it, our employee performance program strictly complies with Korean laws. We will continue to ensure that it remains in full compliance with Korean regulations.

(Chairperson Ahn Ho-young) Then, regarding compliance with Korean laws, Vice Minister Kwon Young-jun, please look into this... (Mic off) Please look into the matter and take care of the situation strictly.
Will you do so?

(Chairperson Choi Min-hee) It seems that Mr. Harold Rogers is not using the simultaneous interpretation device. Could someone please check that? This is causing delays right now, so I will calculate the time lost and compensate for it. And it doesn't matter if Mr. Harold Rogers refuses to use the simultaneous interpretation device. The main reason we are using it is for the Korean citizens who are watching the National Assembly broadcast. So please don't worry too much and proceed as planned.

Rep. Yeom Tae-young, please begin your questioning.

(Rep. Yeom Tae-young) Chairperson, and honorable fellow committee members, today's hearing must serve as a solemn moment to reflect on how lightly this company named Coupang has treated human lives.

(Referring to the screen) Since 2020, at least 30 workers have died while working at Coupang, according to union records. The very first line of the list reads: *There may be more cases that remain unknown.*

Mr. Harold Rogers, have you been informed that over the past five to six years, 30 workers have lost their lives?

(Coupang CEO Harold Rogers) (Original statement) I've read news coverages using this number. I do not believe this number to be accurate, but I have read about them.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I read a news article about it. I don't believe that number is accurate, but I did see the report mentioned in the news.

(Rep. Yeom Tae-young) Looks like Mr. Rogers here tends to deflect by citing someone else's data whenever things get unfavorable.

The testimonies of bereaved families are even more heartbreaking. Parents pleaded in anguish, saying the company claimed their children died because he was trying to lose weight and didn't eat properly—turning them into parents who starved their own son to death. The parents said, "we still hear Deok-jun's voice saying, 'We can't win against Coupang'". That voice has never left their ears. Can we truly stand before these parents and say it was an unavoidable accident?

Half a century ago, a young man at Cheonggyecheon's Pyeonghwa Market set fire to his own body, holding a labor law book to his chest, with the sole intention of protecting the lives of young female workers. What he sought was nothing more than a simple wish—to work and live with dignity. How far should Coupang's workplace have come from those days by now? This incident cannot be dismissed as a unique misdeed of a single company. What we ask here today and how far we demand accountability from them today will determine how much a single human life will be respected in this country going forward.

There is no shortcut to preventing death from overwork. The only path is a society that places human life above all else—a choice that requires national consensus and action. The march of death at Coupang must end now. Let this hearing mark the starting point for the most basic principle: fast delivery can never come before a human life.

Mr. Rogers, I believe you can confirm the facts regarding what the labor union has identified and proposed as overwork-related deaths, and provide us with accurate information?

(Coupang CEO Harold Rogers) (Original statement) I'm happy to take a look at them. I obviously want to state that I feel deep remorse for anybody who loses their life. At Coupang, we take our workers' health and safety extremely seriously. It's very important to us.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I will review this issue. And I feel deep sorrow for those who have passed away. At Coupang, we place great importance on the health of our workers.

(Rep. Yeom Tae-young) In any case, please re-examine the causes of death and accurate statistics for the 30 employees who perished from overwork during the past 5–6 years.

Mr. Rogers, consumers purchase goods through the Coupang app, right? When they receive those goods at home, they are delivered by Coupang Friends—but consumers have no way of knowing whether the delivery is done by a subcontractor's employee. To them, it's simply "a product bought from Coupang." And the outsourcing contract between Coupang and Coupang CLS merely means that Coupang's responsibilities are being carried out under a contractual relationship. Fundamentally, the fact is that Coupang is the one delivering those products. Would you agree?

As you see, this is taking up so much time...

(Chairperson Choi Min-hee) We can stop the timer.

(Rep. Yeom Tae-young) Moreover, Coupang CLS is a subsidiary of Coupang, as its shares are entirely owned by Coupang. So it's not an exaggeration to say that Coupang CLS is essentially Coupang Corp. In that sense, ensuring the safety of delivery workers is ultimately the responsibility of the Coupang head office. Do you agree?

I believe...

(Coupang CEO Harold Rogers) (Original statement) Yes, I believe CLS is responsible for its delivery drivers, of course, as the employer of those drivers.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, Coupang CLS is responsible for the delivery workers.

(Rep. Yeom Tae-young) Therefore, I will take it that the responsibility for workers' safety and the issue of deaths from overwork ultimately lies with the Coupang head office. I want to emphasize that approaching this hearing with an irresponsible attitude under the pretext of legal disagreements is unacceptable. Since you have overseen administration and legal affairs at Coupang since 2020, I assume you are well aware of the issue of deaths from overwork among delivery workers.

During the first and second rounds of the social agreement on package delivery, Coupang CLS did not participate because it directly employed delivery personnel and was not considered a package delivery service provider. Correct? That was four years ago. Currently, it is registered as a package delivery service provider, so I would say that Coupang now has an obligation to comply with that social agreement. Do you agree?

Well, first...

(Coupang CEO Harold Rogers) (Original statement) That's something that we are discussing internally.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We are discussing it internally.

(Rep. Yeom Tae-young) First of all, we need to immediately get reports on the results of the review on Coupang's current status regarding the commitments that other delivery service providers agreed to and have been implementing under the previous agreement. From what we have observed directly on-site, it is hard to avoid pointing out that Coupang has largely failed to comply with key provisions in that agreement—such as excluding delivery workers from sorting tasks, paying appropriate compensation for work, limiting working hours to 12 hours per day and 60 hours per week, and prohibition of having the delivery workers pay for social insurance costs instead of the company.

This is why one of the biggest issues right now is the matter of sorting, which is related to the standard contract. Coupang delivery workers are participating in sorting work, but additional fees for the sorting jobs are not even paid. Here's what happens: two drivers take items from a roll container, separate their respective loads, then further subdivide them and load them into the vehicle in delivery order. This process is called sorting. Now, under the standard contract, who is supposed to handle this? The package delivery service provider is the one who is responsible for this matter. Regarding this matter, Director Eom Jung-hee is here for the Ministry of Land, Infrastructure and Transport today, correct? Shouldn't the Ministry ensure stricter enforcement of the standard contract provisions on sorting, and make sure these requirements are explicitly included in the standard contract?

(Transportation & Logistics Director Eom) Yes, that's correct.

(Rep. Yeom Tae-young) This is why it's a serious problem that delivery workers are also doing sorting work. Other companies are all complying with the rules, but Coupang alone fails to do so. Coupang must stop disregarding the public and breaking our promises, and Mr. Rogers, you must take responsibility for this... (mic off)

(statement after mic off) Mr. Rogers, the allotted time has expired but overall you answered so little, so we'll have to hear at least a few more words from you.

(Coupang CEO Harold Rogers) (Original statement) My understanding is we follow all the MOLIT requirements, and we follow the law, and we will continue to do so. This is an issue that is very important to us.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) As far as I know, we comply with all laws and requirements, and we will continue to do so. This is an important issue for us.

(Chairperson Choi Min-hee) Excuse me. You have not complied. That's why these problems have arisen. And yet, you have been responding like this. This would be why Coupang suddenly replaced CEO Park Dae-jun with a foreigner CEO. To obstruct the process, the truth-finding.

Rep. Oh Gi-hyoung, please proceed with your questions.

(Rep. Oh Gi-hyoung) I'll begin once the screen is ready. Mr. Brett Matthes, the CISO, would you please come forward?

First, I'll direct my questions to Mr. Brett Matthes, and later I'll ask Professor Kim Seung-joo, who is here as a reference witness.

Let's start. Could you take a look at the screen? Is it not up yet?

(Referring to the screen)

On December 2 this year, at the Science, ICT, Broadcasting, and Communications Committee, you stated that, you believe the current scenario is that... a private signing key was used. So, to access the service with an access token, the individual must have stolen and used the private signing key. Using that private key, he created a forged token, successfully authenticated, and impersonated the customers. You made that statement, correct?

(Coupang CISO Brett Matthes) (Original statement) I cannot read the Korean, however, those words appear relatively accurate to the intent that the ex-employee stole the key from Coupang and used it to forge tokens to access the data.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I cannot read Korean, however, the intent of what was reported seems accurate. A former employee stole a private signing key, forged tokens, and accessed personal data.

(Rep. Oh Gi-hyoung) So, let me explain while showing the screen this time. What I quoted earlier was from the previous meeting minutes. Now, as you can see on the screen, typically when you check into a hotel, you present an ID—passport or other identification—and once the hotel verifies your identity, they issue a room key, a key card, which you use to access your room. That’s the usual process. But in Coupang’s case, the customer provides an ID and password. Coupang verifies the identity, and then login occurs. After that, the system issues an access token valid for a certain period—two to three hours—so the customer essentially uses the token to access Coupang’s services. Is this process accurate?

(Coupang CISO Brett Matthes) (Original statement) The process is correct. A user logs into Coupang and gets given an access (Inaudible) (Interrupted)-

(Coupang CISO Brett Matthes) (Simultaneous interpretation) The process is correct. After login ... (Interrupted)

(Rep. Oh Gi-hyoung) Let me ask further. The focus of this issue seems to be how this “room key” was forged. To create a room key, you need a master key—a signing key. And you explained that the foreign developer stole that master signing key, correct?

(Coupang CISO Brett Matthes) (Original statement) Correct. A former employee stole the key.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Correct. A former employee stole the key.

(Rep. Oh Gi-hyoung) That’s what you claim. So, the foreign developer used the signing key, which was stolen by the foreign developer, according to you, to forge access tokens, and then used those forged tokens to access information. That’s what you’re saying, correct?

(Coupang CISO Brett Matthes) (Original statement) Correct.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Correct.

(Rep. Oh Gi-hyoung) (Raising the papers) And next, this concerns the disclosures that were filed with the SEC. When we review those disclosures—including the most recently updated filings—they still state that access was gained to the data associated with approximately 33 million accounts, and further claim that, among those, only limited data relating to about 3,000 customers was saved. That is your claim, right?

(Coupang CISO Brett Matthes) (Original statement) Yes, this is consistent with the strands of evidence and with the signed affidavit from the ex-employee and (Interrupted)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) That’s correct. This is consistent with the evidence and with the affidavit signed by the former employee.

(Rep. Oh Gi-hyoung) I read directly from what Coupang disclosed. It’s exactly what Coupang disclosed to the SEC. But here today, the Minister of Science and ICT of the Republic of Korea again stated that data from more than 33 million people was leaked. This shows there is a clear difference in the understanding of the facts. I want to emphasize that once again.

Next, I will move on to a more specific discussion.

During the previous questioning at the Science and ICT Committee, Coupang stated that it uses AWS Cloud. In that case, please explain how you have managed and operated the AWS Cloud, or the AWS vault signing keys and the critical credential authentication management system.

(Coupang CISO Brett Matthes) (Original statement) Within AWS, we use HashiCorp Vault and the fallback signing key which was stolen was within that Vault and the former employee had authorized access to the key which was accessed, took the key while working for Coupang (Inaudible)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) We use HashiVault for AWS. The backup key was stolen, and that backup key was stored in Vault. The former employee had authorization to the key, and while he was working at Coupang, he stole the key and then used it after leaving the company to access the information.

(Rep. Oh Gi-hyoung) Then, regarding the AWS Vault and the management system for secret keys and signing keys, did you regularly conduct penetration tests or constant security checks?

(Coupang CISO Brett Matthes) (Original statement) There have been reviews of the systems and there were also external audits of the system including government audits.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) We reviewed the system and also underwent various certification-related audits, including government audits.

(Rep. Oh Gi-hyoung) No, certification audits are not the point. I'm asking whether the company itself properly conducted penetration tests and regular, constant security checks. So please explain the scope and frequency of these penetration tests and constant security checks - the ones that the company actually performed.

(Coupang CISO Brett Matthes) (Original statement) Coupang runs a process of vulnerability scanning including mock hacking across our entire systems. I can't be specific as to the extent or regularity of any one particular system.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Coupang conducts vulnerability reviews and mock tests according to our processes, and we do this for all systems. However, as for the precise inspection of the system and the exact inspection cycle, I am not sure... I cannot provide an answer.

(Rep. Oh Gi-hyoung) The scope and frequency. Are you saying that you don't know the frequency? Is that confidential? Are you refusing to testify about that here?

(Coupang CISO Brett Matthes) (Original statement) I am saying that Coupang runs an ongoing process of vulnerability management across our entire system.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Coupang performs ongoing security vulnerability checks across all our systems on a regular basis.

(Rep. Oh Gi-hyoung) So, you mean you don't know the frequency? You don't know this personally, or is it that you just don't want to say it here?

(Coupang CISO Brett Matthes) (Original statement) No, the frequency is an ongoing system as documented in the documentations we provided to the regulators, and it is routinely audited.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) The checks are performed continuously. We have documented this, provide them to the regulatory authorities, and the systems are also audited regularly.

(Rep. Oh Gi-hyoung) Then can you submit the document showing that these checks are constantly done?

(Coupang CISO Brett Matthes) (Original statement) The documentation will be submitted as to our vulnerability management program.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) We will submit the documents regarding our vulnerability assessment system.

(Rep. Oh Gi-hyoung) Yes, please do so. If regular checks were conducted, was a vulnerability identified at that time or not?

(Coupang CISO Brett Matthes) (Original statement) Are you referring to the key management system having a vulnerability or any vulnerability in the system? (Inaudible)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Are you referring to vulnerabilities of the key management system, or to any vulnerabilities in general?

(Rep. Oh Gi-hyoung) Since the backup key was stolen from AWS Vault, shouldn't that situation have been detected? Shouldn't some vulnerabilities have been identified?

(Coupang CISO Brett Matthes) (Original statement) The former employee had authorized access to the Vault. He took the key with his authorized access not by any vulnerability. I am aware of no specific vulnerability within HashiCorp Vault that would have admitted this ex-employee to the key.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) The former employee was able to access the Vault. He used his authorized credentials to gain access and did not exploit any vulnerability. We do not believe that his access to the system was due to a vulnerability in Vault.

(Rep. Oh Gi-hyoung) If you say there was no vulnerability, then you'd be saying that anyone could have taken that backup key. Wouldn't that mean the company's normal security management system was not functioning properly?

(Coupang CISO Brett Matthes) (Original statement) Respectfully, that is an incorrect statement. The ex-employee was in the authentication team and was one of the very few number of authorized personnel who had access to the key that was in a protected place at the time. He abused that to steal the key.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Respectfully, that is not accurate. The former employee was in the authentication team and was one of the few employees who had access to such keys. At that time, we had safeguards in place to protect the keys, but he abused his position to steal the key.

(Rep. Oh Gi-hyoung) (Mic off) Can I continue this questioning in the afternoon?

(Chairperson Choi Min-hee) Please continue in the afternoon. Ministry of Science and ICT, please wrap up now.

(Rep. Oh Gi-hyoung) (Mic off) I will continue my questions in the afternoon.

(Chairperson Choi Min-hee) Ministry of Science and ICT, did you receive the penetration test report? I asked you to obtain that report last time—did you get it?

(Deputy Prime Minister Bae) Yes, we have confirmed it. Chairperson, if you approve, I'd like to elaborate on the points made by Rep. Oh on his behalf.

(Chairperson Choi Min-hee) Yes, please.

(Deputy Prime Minister Bae) First, through the signing authentication key, the suspect accessed more than 33 million... he accessed the Coupang server records, freely viewed and monitored customer information, and downloaded the data he needed. In fact, the number 3,000 they are claiming refers to the data identified on the suspect's devices. Specifically, it comes from one laptop, two storage drives connected to a computer, and two SSDs—a total of four storage devices. Those devices were seized, and the information confirmed on them is what is being described as the 3,000 instances of leaked data.

However, the fact remains that the suspect, by unlawfully possessing the signing key and generating key tokens, was able to view virtually almost all customer information—over 33 million records. This is extremely important because it means customer data, including names and email addresses, was exposed. While analysis is still ongoing, it seems that delivery information and delivery history were also leaked. Therefore, I strongly emphasize that Coupang must provide accurate confirmation of this matter.

(Rep. Oh Gi-hyoung) (Mic off) So it appears that he is committing perjury as well, and that means everyone involved is doing the same. You will all be held accountable for perjury. There will be criminal liability for the perjury being committed here today. I'll continue in the afternoon.

(Chairperson Choi Min-hee) At this moment, I feel that Coupang is obstructing our hearing in a very novel way by putting forward two foreigner representatives. Representative Lee Yong-woo, please proceed with your questions.

(Rep. Lee Yong-woo) Please pause the timer for a moment.

Mr. Rogers, please move your seat next to former CEO Park Dae-jun.

I am Lee Yong-woo, representing Seo-gu Eul, Incheon.

I will mainly direct my questions to the current and former CEOs, so please listen carefully.

Mr. Park Dae-jun, you are aware of the case of Mr. Jang Deok-jun, a young man in his 20s who died from overwork at Coupang Fulfillment Services on October 12, 2020, correct?

(Former CEO Park Dae-jun) Yes, I am.

(Rep. Lee Yong-woo) At that time, the CEO of Coupang Korea was Kim Bom-suk.

(Former CEO Park Dae-jun) Correct.

(Rep. Lee Yong-woo) Yes, and then, in December of the same year, just before the Serious Accidents Punishment Act was enacted, he resigned from his position as CEO of Coupang Korea. Is that correct?

(Former CEO Park Dae-jun) Yes, as for the dates, that is correct.

(Rep. Lee Yong-woo) I claim that this was an evasional act to avoid responsibility. After that, you and Kang Han-seung became co-CEOs of Coupang acting severally, correct?

(Former CEO Park Dae-jun) Yes, that is correct.

(Rep. Lee Yong-woo) Mr. Rogers, at the time of Mr. Jang Deok-jun's case in 2020, were you the Chief Administrative Officer?

(Coupang CEO Harold Rogers) (Original statement) Yes.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes.

(Rep. Lee Yong-woo) Mr. Park Dae-jun, what was Mr. Kim Yoo-suk's position at Coupang back then?

(Former CEO Park Dae-jun) I do not currently remember his exact position back in 2020.

(Rep. Lee Yong-woo) Please try to remember.

(Former CEO Park Dae-jun) I believe he was roughly at a department head level in Korean terms, as I recall...

(Rep. Lee Yong-woo) A department head at the Coupang parent company?

(Former CEO Park Dae-jun) Yes, I recall that he was at a department-head level at that time.

(Rep. Lee Yong-woo) You mean a department head at the Coupang parent company?

(Former CEO Park Dae-jun) At Coupang, yes.

(Rep. Lee Yong-woo) Not CFS or CLS, but Coupang.

(Former CEO Park Dae-jun) Yes.

(Rep. Lee Yong-woo) If you don't answer accurately, it will be considered perjury.

Mr. Rogers, during the hearing on the 17th, you said both Chairman Kim Bom-suk and you didn't know about Mr. Jang Deok-jun's industrial accident death. Did you really not know?

(Coupang CEO Harold Rogers) (Original statement) No, that is incorrect. I was shown a news article in Korean, it was not shown in English, it was published while I was in the hearing. I have never seen it before, and I was asked about the contents of that. And what I responded was, I was unaware of the article and its contents because I could not read them in Korean.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) That is not correct. I was provided with a news article written in Korean. So I was not aware of such news prior to coming to the hearing. Because it was in Korean, I could not read it.

(Rep. Lee Yong-woo) Hold on. Are you or are you not aware of Mr. Jang Deok-jun's industrial accident death?

(Coupang CEO Harold Rogers) (Original statement) Yes, I've said I am.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, I know. I said I am.

(Rep. Lee Yong-woo) Let's look at the screen. You sent this email, correct?

On October 23, 2020, when the Daegu branch of the Ministry of Employment and Labor requested information regarding the industrial accident involving Jang Deok-jun at Coupang, the company's legal team sent an urgent email to executives, including you, asking whether the materials could be submitted. This is your reply to that email. The content says: "Shouldn't we also indicate in the description important points on the ease of the job? Highlight the fact that this isn't a job that creates strain physically – it appears that isn't clear in the Excel." What was your intention behind this email?

(Coupang CEO Harold Rogers) (Original statement) This document, my understanding is, has been provided by a former employee who was terminated for workplace harassment. These documents have not been provided to me or the company, and we have not been able to authenticate them. At the time of, of passing of this individual, for which I am deeply, deeply remorseful, we conducted an investigation with MOEL.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) This document was submitted by an employee who was terminated for workplace harassment. It was not presented to me, and we have not been able to verify its authenticity.

(Rep. Lee Yong-woo) Wait, wait, wait.
Please pause the timer.
I am the one leading the questioning.

(Coupang CEO Harold Rogers) (Original statement) I know, but you need to allow me to give a full response.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, I understand, but please allow me to respond.

(Rep. Lee Yong-woo) Hold on.

(Coupang CEO Harold Rogers) (Original statement) I am under penalty of perjury. You need to allow me to give a full response, please.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Please allow me to provide a sufficient answer.

(Rep. Lee Yong-woo) Wait, hold on, please. I am the one leading the questioning.

(Chairperson Choi Min-hee) I'll take care of it. Please proceed, representative.

(Rep. Lee Yong-woo) I'm not asking about the source of this email. Answer the intent of the question. What is the purpose of this email? What is the purpose?

(Coupang CEO Harold Rogers) (Original statement) I don't know the authentication of this document. I have not seen it before, and it has not been provided to the company.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not know the authenticity of this document. I have not seen it before.

(Rep. Lee Yong-woo) Fine. That's enough. If you claim you don't know something you do, that's perjury. Two days after this email was sent, Kim Bom-suk, then CEO of Coupang Korea said "Make sure that no notes about Jang Deok-jun working hard are retained", "Why would he be a hard worker?", etc. Recently in the media...(Interrupted)

(Coupang CEO Harold Rogers) (Original statement) Have you authenticated this document?

(Interrupted)

Interpretation not provided

(Rep. Lee Yong-woo) Listen!

(Coupang CEO Harold Rogers) (Original statement) Have you authenticated this document?

(Interrupted)

Interpretation not provided

(Rep. Lee Yong-woo) My question isn't finished. Recently, multiple reports of industrial accident cover-ups have been confirmed in the media. Did you know about this at the time, or did you not?

(Coupang CEO Harold Rogers) (Original statement) Not a single one of these documents have been authenticated. We have not hidden anything, we have worked with all of the regulators for years.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The authenticity of these documents has not been verified at all. We have not concealed anything...

(Rep. Lee Yong-woo) Just answer whether you knew about this at the time or not.

(Coupang CEO Harold Rogers) (Original statement) I'm answering your question. Please allow me to respond to your question.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Please allow me to answer...

(Rep. Lee Yong-woo) Did you or did you not know about this at the time?

(Coupang CEO Harold Rogers) (Original statement) We have not hidden any documents or data. We have responded to our regulators...

interpretation not provided

(Rep. Lee Yong-woo) Stop giving evasive answers!

(Coupang CEO Harold Rogers) (Original statement) ... on a constant basis.

Interpretation not provided

(Rep. Lee Yong-woo) Were you aware of this at the time or not?

(Coupang CEO Harold Rogers) (Original statement) Aware of what?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Aware of what?

(Rep. Lee Yong-woo) This —I'm showing it on the screen right now.

(Coupang CEO Harold Rogers) (Original statement) Have you authenticated this document?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Have you authenticated this document?

(Rep. Lee Yong-woo) I'm the one asking the questions here. Look at this. Look at the screen.

(Coupang CEO Harold Rogers) (Original statement) We have not hidden anything ... (Interrupted)

Interpretation not provided

(Rep. Lee Yong-woo) I said, look at the screen!

(Coupang CEO Harold Rogers) (Original statement) We conducted ... (Interrupted)

Interpretation not provided

(Rep. Lee Yong-woo) At that time, were you aware of what is now shown on the screen, or not?

(Coupang CEO Harold Rogers) (Original statement) We conducted a full investigation with MOEL at that time. And the determination by MOEL was that it was a workplace death, for which we're deeply sorry. Nothing was hidden.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We underwent a thorough investigation by the Ministry of Employment and Labor. We hid nothing.

(Rep. Lee Yong-woo) Mr. Park Dae-jun, did you know about this at that time or not? Answer quickly.

(Former CEO Park Dae-jun) I'm seeing this for the first time now.

(Chairperson Choi Min-hee) (scoffs)

(Rep. Lee Yong-woo) Let's look at the next screen.

Two days later, on October 27, Coupang issued a statement. It was distributed in the form of a press release, directly refuting the claims made by the bereaved family. Mr. Park Dae-jun, you knew about this, didn't you?

(Former CEO Park Dae-jun) ...

(Rep. Lee Yong-woo) Please answer quickly.

(Former CEO Park Dae-jun) The content reported in the media... yes.

(Rep. Lee Yong-woo) I'm asking if you knew it at the time.

(Former CEO Park Dae-jun) Are you referring to what was reported in the media, the statement that was released at that time?

(Rep. Lee Yong-woo) Let's move on to the next slide. It is CCTV footage showing Mr. Jang Deok-jun at work. "If they watch the video, they can see that the 50,000 step claim is ludicrous." This was in response to the bereaved family's claim that the CCTV footage showed Mr. Jang running around while working, amounting to 50,000 steps. It also said, "My concern is that even if it's 20,000 steps, it's still a high number." This was a comment made by Mr. Rogers, who was then CAO.

Mr. Park Dae-jun, you were aware of these discussions, weren't you? Or did you not know?

(Former CEO Park Dae-jun) ...

(Rep. Lee Yong-woo) Next slide. Park Dae-jun and Kang Han-seung. "DJ" refers to you, Park Dae-jun, and "Robert" refers to Kang Han-seung. Is that correct?

(Former CEO Park Dae-jun) Yes, correct.

(Rep. Lee Yong-woo) These actions. To refute the claim made by the bereaved family, you had his fellow workers wear pedometers, recorded their very ordinary work routines, and then presented the fact that it amounted to 20,000 steps as evidence. You took such measures, correct?

(Former CEO Park Dae-jun) I don't exactly remember the context.

(Rep. Lee Yong-woo) The bereaved family claimed that Mr. Jang Deok-jun was subjected to such grueling work that he walked as many as 50,000 steps. In response, you put forward fellow workers,

had them wear pedometers, and argued that it was only 20,000 steps. Did you take such measures at that time, yes or no?

(Former CEO Park Dae-jun) ...

(Rep. Lee Yong-woo) Let's look at the next slide. On February 9, 2021, in just three months later, this case was approved as an industrial accident by the Korea Workers' Compensation & Welfare Service. You're aware of that, correct?

(Former CEO Park Dae-jun) Yes, I am.

(Rep. Lee Yong-woo) Contrary to the maliciously distorted narrative previously released by Coupang in its press statement, the industrial accident decision clearly confirmed the following facts: 62 hours and 10 minutes of work per week, an average of 58 hours and 38 minutes over the 12 weeks prior to onset, and exposure to multiple factors involving excessive workload and physically demanding tasks. (Mic off) (Statement after mic off) All these facts have been confirmed. You acknowledge them, correct?

(Former CEO Park Dae-jun) At that time, the Korea Occupational Safety and Health Agency ruled it as an industrial accident, and we accepted that.

(Rep. Lee Yong-woo) (Mic off due to time limit)

(Statement after mic off) Next slide, please. But the very next day, you submitted the industrial accident investigation report to the agency, to the Ministry of Labor, and you wrote the cause as simple fatigue. Even though the case had been recognized as an industrial accident, even though the agency acknowledged that it was due to extreme overwork, you still did this the next day. Next slide.

Years later, you refused to settle and filed a lawsuit. In the civil suit, Coupang submitted a brief saying things like: "Playing golf for about four hours can easily reach 15,000 steps. So 20,000 steps in eight hours are not excessive."

Next.

You even claimed it was due to dieting—that he died because he was trying to lose weight.

Look again, next slide.

To check whether he was dieting, Coupang requested to reveal Mr. Jang Deok-jun's account, purchase history to see if he had bought any diet-related products.

This is the kind of organization Coupang is. All these took place after the industrial accident was acknowledged. Instead of apologizing and taking proper measures, this is what they did.

Now, Mr. Rogers and Mr. Park, I would like you to address, here today, the death of Mr. Jang Deok-jun, a young man in his twenties.

Also present in the gallery today is Mr. Jang Deok-jun's mother, Ms. Park Mi-sook. We will hear her views once as well, at the end.

Please make your statements one at a time.

(Coupang CEO Harold Rogers) (Original statement) Yes, we take full responsibility for this, as we have done so publicly. And I apologize sincerely and deeply for the death of her son. We feel very deeply sorry for it. As I said, we take our workers' health very seriously. And we take full responsibility of the passing of her son and are deeply, deeply sorry for it.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) As we have publicly stated before, we take full responsibility for this. We sincerely apologize for the death of the deceased. Coupang takes the health of its workers very seriously, and I would like to sincerely apologize for the death of your son.

(Former CEO Park Dae-jun) Regarding the late Mr. Jang Deok-jun, I have always felt a deep sense of responsibility. I apologized at the time, and again last year around the same period, I offered a separate apology to his mother as well. However, I fully understand that such apologies do not resolve everything. I would like to take this opportunity to once again express my sincere apologies and heartfelt condolences.

(Chairperson Choi Min-hee) Ms. Park Mi-sook, you are attending today as observer, right? Please come forward to the microphone.

(Park Mi-sook (bereaved family)-observer) Your honor, please excuse me. You bastards. (to Coupang representatives)
Excuse me for my language. (to the audience)

(Chairperson Choi Min-hee) Please give Ms. Park Mi-sook sufficient time. Are you ready to speak?

(Park Mi-sook (bereaved family)-observer) Yes.

(Chairperson Choi Min-hee) All right, please go ahead.

(Park Mi-sook (bereaved family)-observer) Let me read what I have prepared. I am the mother of Jang Deok-jun, a healthy 27-year-old young worker of Korea, whose death was concealed and left off the record under the instructions of Coupang's Chief Executive Officer, Kim Bom-suk, five years ago. Deok-jun worked for one year and four months at Coupang's Daegu Chilgok logistics center, which was even called the '7th Floor, with the poorest working conditions' and died from overwork. I still vividly remember the tears of his colleagues at the funeral, saying, "Deok-jun had such a hard time. He worked so hard. I hope he can finally rest in peace."
Although we managed to obtain approval for his industrial accident claim despite Coupang's non-cooperation, they then cut off all communication. When we went to the head office in person, they refused any discussion and any compensation. That left us in utter despair. They even tried to portray him as a foolish worker who died from going on an extreme diet. They branded us as heartless parents who starved our son to death and accused us of damaging Coupang's image in the media. All we could do was watch as these horrific claims were made public.

It was only after seeing the materials disclosed through this broadcast that I finally started to understand Coupang's vile actions. All the suspicions that began with a few words from Kim Bom-suk—the media reports immediately after the death, the lobbying in the National Assembly, their conduct during the industrial accident investigation, and their disgraceful behavior in civil litigation. They analyzed CCTV footage they claimed did not exist, trying to cover up the harsh working conditions they wanted to hide. Kim Bom-suk's fundamental contempt for a diligent worker was evident. Why did they analyze a week's worth of footage from eight CCTV cameras recorded immediately prior to his death, yet submit only a fraction of it to the Korea Workers' Compensation & Welfare Service? What did they want to hide? Why did they make threats under the table to not disclose even that? What is the truth behind all of this?

Every moment we spent kneeling, bowing our heads, traveling across the country, wandering the streets to uncover the truth about Deok-jun's death—all of it began with those few words from Kim Bom-suk. That fact fills me with deep anger, and I am unable to sleep. We didn't even have time to grieve for our son; instead, we spent over four years fighting for an industrial accident claim and civil litigation. We spent an entire year repeatedly reviewing and analyzing the CCTV footage from his

workplace, step by step, as if living with our son inside those videos, in search of the hidden truth. It did not end with simply losing our son—we lost our home and our entire livelihood.

Now, faced with this enormous truth without even the time to heal the wounds left on our family, we have been driven to the edge of a cliff and shattered. I saw the message of an apology issued by Kim Bom-suk. I am appalled that the message did not include any apology for ordering the concealment of Deok-jun's industrial accident, or a single word of remorse for the countless workers who collapsed while working for Coupang. I earnestly ask that this hearing fully exposes Kim Bom-suk's instructions to cover up industrial accidents, the hidden facts of those cover-ups, and the harsh working conditions at Coupang, and ensure that proper punishment is imposed.

For bereaved families like us, even obtaining the most basic industrial accident recognition requires risking everything. I sincerely hope that this horrific tragedy—where families lose loved ones and are forced to live in hell—will never be repeated. Thank you.

(Chairperson Choi Min-hee) Thank you for coming here despite the hardships.

(Park Mi-sook (bereaved family)-observer) This is actually a notebook where I recorded every footprint and every scene from the CCTV that Coupang concealed, which I analyzed for a year. We fought this battle with great difficulty. And now, I have received an order for delivery of immovables to hand over my home by December 30, and I am on the verge of being thrown out onto the street. Even so, I cannot remain silent. I feel so outraged, resentful, and utterly unable to forgive. Please, I beg you—hold Kim Bom-suk accountable. I am pleading with you.

(Chairperson Choi Min-hee) Thank you. You may step down now.

Also present today is the sister of the late Mr. Oh Seung-yong, who passed away last November. Ms. Oh Hye-ri, are you here? Not yet?

We will give Ms. Oh Hye-ri time to speak. Please go ahead.

(Oh Hye-ri (bereaved family)-observer) On November 10, my brother worked for five consecutive days before our father passed away. Then, after my father suddenly passed away, he served as the chief mourner for three days, and the day of the funeral procession was his day off. Despite being physically and emotionally exhausted, he pleaded to his team leader for just one more day of rest—he took just one day off on Saturday, and on Sunday he went back to work. The next day, Monday, at 3:10 a.m., he died in an accident.

Yet not a single Coupang employee came to the funeral. To this day, we have received no contact, nothing but silence. I ask you: Is it so hard to apologize? Answer me—is it that hard to apologize?

(Coupang CEO Harold Rogers) (Original statement) I am so sorry and I offer you my deepest condolences for your loss. I am so sorry.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am so sorry and I offer you my deepest condolences.

(Oh Hye-ri (bereaved family)-observer) Why now? Why are you apologizing only now?

(Coupang CEO Harold Rogers) (Original statement) I'm apologizing to you. I offer you my deepest condolences.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I would like to apologize to you now and extend my deepest condolences.

(Oh Hye-ri (bereaved family)-observer) It's been less than two months. My younger brother had two children and a wife. The eldest has a severe intellectual disability, and with Seung-yong's death, their

livelihood has collapsed. So why? What's so hard about reaching out? Seung-yong worked more than 11 hours a day, delivering an average of 300 to 400 parcels daily, and the place he worked didn't even have an elevator. And didn't you say it was five days a week with days off? But he worked six days a week, with Thursday as his only fixed day off, and he even applied for early-morning and daytime deliveries. But there were no slots available. He had no time to spend with his kids. His children are now 8 and 6 years old—an age when they should be making memories with their dad. Seung-yong was only 34. At that age... those kids don't even know their dad has died; they think he's gone to space, that he's now in space. 'Daddy is working hard far away in space, so just wait a little longer.' I'm asking you now: issue an official apology, recognize this as an industrial accident, and take responsibility for the future of these children, and grant goodwill payout and compensation for my mother and me.

Answer now. Say you will compensate for everything. Mr. Rogers, answer.

(Coupang CEO Harold Rogers) (Original statement) I am so sorry for your loss. My understanding is that discussions are going on, on this very topic. My deepest, deepest condolences.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We are truly sorry. I understand that we are currently having discussions on this matter. I would like to express my deepest condolences.

(Oh Hye-ri (bereaved family)-observer) Are you saying you will do everything I asked? Please answer with a simple yes or no.

(Coupang CEO Harold Rogers) (Original statement) My understanding is that the discussions are ongoing. Once again, I am so sorry for your loss.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) My understanding is that the discussions are ongoing. Once again, I want to express my sincere..condolences.

(Oh Hye-ri (bereaved family)-observer) So are you saying you will do everything I asked? Just answer yes or no.

(Coupang CEO Harold Rogers) (Original statement) I'm sorry my understanding is that discussions are ongoing with the family representative. My deepest condolences for your loss. Truly.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I'm sorry. My understanding is that discussions are currently underway with the family representative. I sincerely extend my deepest condolences.

(Oh Hye-ri (bereaved family)-observer) This is not something to discuss—a person has died. He was only 34 years old. This is not about discussion; their livelihood has collapsed. You are a large company. Even small companies give two or three days off when an employee's parent dies. But my brother had to beg just to get one day off. And even then, he went back to work for his livelihood, for his children, and for his family. And you're saying that it was drunk driving? How can you try to cover this up with such an absurd claim? Stop talking about discussions—compensate now, recognize this as an industrial accident, and apologize. Answer now, quickly. Mr. Rogers.

(Coupang CEO Harold Rogers) (Original statement) I am deeply, deeply sorry for your loss. I am deeply sorry.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I'm deeply sorry. I sincerely apologize.

(Oh Hye-ri (bereaved family)-observer) Provide compensation.

(Coupang CEO Harold Rogers) (Original statement) We are in those discussions. My deepest condolences.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We're in those discussions. We extend our deepest condolences.

(Oh Hye-ri (bereaved family)-observer) Don't just express regret—take full responsibility to recognize this as an industrial accident and to compensate our children and family. Answer now. I came all the way from Jeju Island. This is not up for discussion.

(Coupang CEO Harold Rogers) (Original statement) My deepest condolences. I am so sorry. We are working on this, is my understanding, and I am very, very sorry for your loss.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I offer my deepest condolences and am truly sorry. We are making every effort to resolve this matter. I sincerely apologize.

(Oh Hye-ri (bereaved family)-observer) Do not say that you understand. Promptly recognize this as an industrial accident and provide compensation. Just give me a quick yes or no. Our children need to live.

(Chairperson Choi Min-hee) Ms. Oh Hye-ri, we have MOEL Vice Minister present here today, right? Vice Minister Kwon Chang-jun is present, as well as Transportation & Logistics Director Kim Yun-Duk. I understand that Rep. Jung Hye-kyung will address issues related to industrial accident recognition and compensation shortly. Please bear with us for a moment. We fully empathize with your situation...

(Oh Hye-ri (bereaved family)-observer) The children keep asking for their father.

(Chairperson Choi Min-hee) We truly empathize and will work together to resolve this matter. Rep. Lee Joo-hee, please proceed with your question.

(Park Mi-sook (bereaved family)-observer) (Mic off) Chairperson, may I say just one thing? Back in 2020, they gave that exact same answer, and then dragged it out for five years. Please, let this be over quickly this time. Stop destroying another family. I beg you, don't let this drag on any longer. They say they'll 'wait for MOEL's findings—that is exactly how it started for me. And it has been five years since then. Why are you letting another family endure the same tragedy we suffered? I demand an answer to this...

(Chairperson Choi Min-hee) Rep. Lee Joo-hee, please ask your questions.

Mrs. Park, we have clearly understood. Yes, we hear you, and responsible officials are present here today. So...

(Park Mi-sook (bereaved family)-observer) I am desperately, strongly pleading with you once more.

(Chairperson Choi Min-hee) Please allow us a moment to proceed with the questioning.

(Rep. Lee Joo-hee) In light of the vivid testimonies from the bereaved families, I honestly don't know how meaningful our questions can be but let me proceed with the prepared questions. Witness Rogers proudly stated earlier that Coupang provided the largest compensation in its history. Here is the reaction from our consumers. Please take a look at the slide.

(Referring to the screen) "What a joke. A KRW 50,000 purchase voucher?" "Are you kidding me? So instead of money, you're giving points so that people will have no choice but to use them?" "What is Coupang Travel and R.Lux?" "They're taking advantage of this moment to make us use Travel and

R.Lux services. In the end, it's just KRW 5,000." "Hey slaves, here's a purchase voucher. Stop complaining and just use Coupang."

Please take a look at these reactions from our citizens who feel insulted, and come up with a proper compensation plan again.

Shall we look at the next slide? "When one thinks of a venture company, one often imagine ideas, startups, and challenges. Wrong. What matters most is people. We only focus on our consumers. Our activities will continue to be focused on consumers."

Witness Park Dae-jun, who said this and when? It was Coupang founder Kim Bom-suk, 12 years ago. This sounds right. But as we've seen so far, his actions have been the exact opposite. Towards a worker who had died on the job, he claimed that 'a worker who gets paid hourly has no reason to work hard'. Can you call this a 'people-oriented' attitude? We call this hypocrisy. Please interpret this correctly.

A massive personal information leak, repeated absences from the National Assembly hearings, issuing a self-exoneration statement, an insulting apology letter to consumers—these behaviors, along with a series of recent media reports of evidence destruction allegations and belittling of fulfillment center workers' deaths from overwork. Regarding such actions of Coupang and Kim Bom-suk, one commentator says that this is "A textbook example of materialism that only pursues money." That doesn't sound wrong at all. Kim Bom-suk has yet to personally bow his head in apology before the public, and only issued a single apology letter about the personal information leak. Yes, as several Representatives mentioned earlier: Claiming to "only look to consumers" while mocking them with deceptive promotional coupons, and saying "people matter the most" while treating workers who labor for the company as less than human—Kim Bom-suk and Coupang must face judgment from our people and the law.

Deputy Prime Minister, PIPC Chairperson, KFTC Chairperson, NTS Commissioner—I ask each of you to give a brief comment on this. Just answer that you will conduct a thorough investigation.

(Deputy Prime Minister Bae) Yes, the government takes this matter very seriously, and we will respond swiftly and comprehensively through a pan-government task force.

(PIPC Chairperson Song) Yes, we will conduct a thorough investigation and hold those responsible accountable.

(KFTC Chairperson Ju) Yes, Coupang is a very large company in Korea, but when it comes to social responsibility, it seems to score zero. Accordingly, the KFTC will rigorously handle the cases currently under review and will continue to closely monitor corporate social responsibility going forward.

(NTS Commissioner Lim) Yes, the National Tax Service is currently conducting a tax audit, and we will carry out a thorough investigation to uphold tax justice.

(Rep. Lee Joo-hee) Yes, please make sure to keep that promise. VP Cho Yong-woo of Coupang's CSR Cooperation, please come forward for a moment. Please stop for a second. I addressed you as such because you have personally acknowledged your title as VP of the CSR Cooperation team last time. I will address you as a witness. Witness, during the last Science, ICT, Broadcasting, and Communications Committee hearing, when I asked if you were operating a dedicated team for the Presidential Office in a secret office in Gangnam, you answered no, didn't you? It is in the slides.

(VP Cho Yong-woo) Yes.

(Rep. Lee Joo-hee) And when asked if you were the leader of the team dedicated to the Presidential Office, you clearly stated no as well, right? I believe that Witness Cho Yong-woo committed perjury during the last Science, ICT, Broadcasting, and Communications Committee hearing and insulted the National Assembly, the representative of the people.

(VP Cho Yong-woo) That is not true.

(Rep. Lee Joo-hee) Witness Cho Yong-woo, during the last hearing, you took an oath stating, "I swear to suffer the penalty for perjury if there is any falsehood in my statement or written answer," in accordance with Article 8 of the Act on Testimony and Appraisal Before the National Assembly, didn't you?

(VP Cho Yong-woo) Yes, that's right.

(Rep. Lee Joo-hee) Under Article 14 of the same Act, a sworn witness who commits perjury is subject to imprisonment for a term of not less than one year and not more than ten years. You are aware of this, correct?

(VP Cho Yong-woo) Yes, yes.

(Rep. Lee Joo-hee) Witness Cho Yong-woo, did you see the exclusive MBC report on the 23rd titled "Formation of a Secretive Top-Secret Organization, Why Did They Have to Hide It?"

(VP Cho Yong-woo) Yes, I did.

(Rep. Lee Joo-hee) The report raises the possibility that the secret office in Gangnam effectively functioned as a lobbying situation room. Witness, what is your position on this? Please answer briefly in one sentence.

(VP Cho Yong-woo) When I joined the company in July, I went there hearing that it was a temporary office for establishing a CSR Committee.

(Rep. Lee Joo-hee) That is what you say you heard, and now let's see what actions were actually taken. Please pause for a moment. Looking at another MBC report, even the layout of the Gangnam office was revealed. According to the report, it appears that Witness Cho Yong-woo, as well as Witness Park Dae-jun who is here, worked at the Gangnam office. Witness Park Dae-jun, Witness Cho Yong-woo, I ask you again. Did Coupang operate a team dedicated to the Presidential Office at the Gangnam office? Answer with a yes or no.

(Former CEO Park Dae-jun) No.

(VP Cho Yong-woo) May I explain a little?

(Rep. Lee Joo-hee) No. Please answer with a yes or no.

(VP Cho Yong-woo) No.

(Rep. Lee Joo-hee) Aren't you the leader of that team, Witness Cho Yong-woo?

(VP Cho Yong-woo) We call it the Win-Win Cooperation Office, and I am currently the Head of the Win-Win Cooperation Office.

(Rep. Lee Joo-hee) It appears the witnesses have committed perjury in the National Assembly again today. I clearly state that you will pay the price for perjury according to the Act on Testimony and Appraisal Before the National Assembly.

(VP Cho Yong-woo) Representative, may I briefly explain?

(Rep. Lee Joo-hee) And I inform you that I will take measures to file a complaint against Witness Cho Yong-woo.

(VP Cho Yong-woo) Representative, let me give a brief explanation.

(Rep. Lee Joo-hee) I told you clearly at the last hearing. In the Lee Jae-myung administration, lobbying by forming a dedicated team like this will never work.

Deputy Prime Minister Bae, NTS Commissioner Lim, regardless of what lobbying Coupang did, you are continuing your assigned duties without wavering at all so far, right? Answer briefly.

(Deputy Prime Minister Bae) We are currently investigating without wavering.

(Rep. Lee Joo-hee) Good. NTS Commissioner?

(NTS Commissioner Lim) Yes, that is correct.

(Rep. Lee Joo-hee) KFTC Chairperson Ju, PIPC Chairperson Song, you are also performing your duties regardless of lobbying, right?

(KFTC Chairperson Ju) Yes, that is correct.

(PIPC Chairperson Song) That is correct.

(Rep. Lee Joo-hee) Coupang should not even dream of solving problems through such secret lobbying anymore; instead, use that time to listen to the voices of the people who are shedding tears of blood, (Mic off) and fulfill your social responsibilities honestly and transparently in accordance with the expectations of the public.

(Chairperson Choi Min-hee) KMCC Chairperson, could you also say a word about your resolution?

(KMCC Chairperson Kim) Yes, regarding matters under our jurisdiction, we will do our best to enforce the law strictly.

(Chairperson Choi Min-hee) And Witness Cho Yong-woo, please briefly answer what is not true and what is true regarding Rep. Lee Joo-hee's questions.

(VP Cho Yong-woo) Since I have experience working in the Presidential Office, the company may harbor certain ideas, expectations, or requests. However, neither I nor anyone on my team would ever consider responding to or complying with such requests or instructions even if they are given. We are also well aware that such actions would simply not work."

(Chairperson Choi Min-hee) You must take responsibility for those words.

(VP Cho Yong-woo) Yes, yes.

(Chairperson Choi Min-hee) We are verifying everything. Yes, you may step down. Representatives, you just heard Witness Cho Yong-woo's answers, right? They will all be held accountable. Rep. Lee Jun-seok, please proceed with your questions.

(Rep. Lee Jun-seok) CISO Brett Matthes, please come forward. When we watch Netflix, we use a remote control to watch it on a TV. So, where are the movies stored? Where exactly are the movies stored?

(Coupang CISO Brett Matthes) (Original statement) I believe movies in Netflix are stored in multiple locations depending upon (inaudible)

(Coupang CISO Brett Matthes) (Simultaneous Interpretation) They are stored in various locations depending on Netflix's locations.

(Rep. Lee Jun-seok) Then what is stored in the remote control?

(Coupang CISO Brett Matthes) (Original statement) I'm sorry, I don't understand the question.

(Coupang CISO Brett Matthes) (Simultaneous Interpretation) I didn't understand the question.

(Rep. Lee Jun-seok) What do you think is typically stored in the TV remote control? Among Netflix data. In the TV remote control.

(Coupang CISO Brett Matthes) (Original Statement) Are you talking about, like, the remote control? It's either Bluetooth or IOP in normal sense (Interrupted).

(Coupang CISO Brett Matthes) (Simultaneous Interpretation) Bluetooth layer.

(Rep. Lee Jun-seok) I'm asking about stored information. There's no Netflix data stored at all, right?

(Coupang CISO Brett Matthes) (Original statement) Not to my knowledge. I'm not an expert in Netflix though, as you know.

(Coupang CISO Brett Matthes) (Simultaneous Interpretation) Yes, as far as I know, there isn't. I'm not a Netflix expert.

(Rep. Lee Jun-seok) However, Coupang is stating that they ran a forensic analysis of the laptop retrieved from the river and found that the suspect had thousands of pieces of information. But as the CISO knows, if we take Coupang's explanation on this matter at face value, it means tens of millions of documents and hundreds of millions of data were scraped from the server, but from a developer's perspective, it is not plausible that he would have carried out such crawling on a MacBook Air, is it? The MacBook Air doesn't even have a port for a LAN cable. Then, isn't it a reasonable inference to view that the tens of millions to hundreds of millions of data points were clearly crawled from a server somewhere online? Do you agree?

(Coupang CISO Brett Matthes) (Original statement) Respectfully, Coupang performed no forensic analysis of the Macbook. It was delivered to the police (inaudible) for analysis. The forensic analysis you're referring to is of the Coupang logs. I concur with the statement that the ex-employee generated access tokens and retrieved the data of the 33M or 33.7M accounts. The threat actor's own signed confessions and corroborating information that we received (inaudible)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Coupang did not conduct a forensic

analysis on that MacBook; the forensic analysis was conducted on Coupang logs. I agree with your statement. That ex-employee generated access tokens and retrieved data of 33.7 million accounts of 33 million people. However, according to the information we received... (Interrupted)

(Rep. Lee Jun-seok) Then if tens of millions to hundreds of millions of pieces of structured data were indeed leaked as explained by the Ministry of Science and ICT, do you agree with the inference that this would have been stored in an RDBMS somewhere, rather than saved as an Excel file?

(Coupang CISO Brett Matthes) (Original statement) The ex-employee's statement is that the, in a high level summary of only the email domains and the sub-regions of that information which is consistent also with the email we received earlier, that is the data he saved (inaudible)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) According to the former employee's statement, he said he only accessed email domains and the server regions of that information. And it also matches the email we received. He saved only saved [inaudible] on his own device.

(Rep. Lee Jun-seok) But what I keep saying is that if the data had been crawled on a server, then what is the significance of the laptop retrieved this time that Coupang is publicizing it so extensively? Per the metaphor I used earlier, the information must have been on a server because the crawling would have been done there. Then, this laptop only serves as a terminal at best, so what could possibly come out of forensically analyzing this?

(Coupang CISO Brett Matthes) (Original statement) The signed testimony from the former employee is that he used Windows workstation to save the data and the data of approximately 3,000 which is (inaudible). Those laptop, those hard drives have been given to the police.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) According to the former employee's statement, he said he used a Windows workstation to save this data and thought that this data contained the data of approximately 3,000 people. The laptop and hard drives have been given to the police. (Interrupted)

(Rep. Lee Jun-seok) This is highly concerning, because the volume of data that was crawled amounts to tens of millions of records. Yet, you are saying that the data uncovered this time does not even reach several thousand records and only a limited amount of data was stored. Does this mean that someone else, possessing another access key, may have additionally leaked the data? Or are we simply taking the words of the individual who leaked the data at face value? I would like clarification on this point.

(Coupang CISO Brett Matthes) (Original statement) The signed confession of the former employee is corroborating with information that we had (inaudible) and forensic analysis of the access logs. The former employee says that he took the key. He says that he retrieved accessed data from the 33.7M accounts or thereabouts. He ran a survey. He then saved in the hard drives approximately 3,000 accounts, and if I may, respectfully, is at the attention...(Interrupted)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) According to the statement signed by the former employee, this statement matched the results we obtained from forensic analysis and analyzing access logs within Coupang. The former employee states that he took the key, accessed data of 34.7 million accounts, conducted a survey through this, and saved information of approximately 3,000 accounts on his hard drive.

(Rep. Lee Jun-seok) So, what you are saying right now is that while he scraped a lot of information, he only saved exactly about 3,000 accounts, and either he doesn't know where the rest are or he didn't save them. Deputy Prime Minister Bae, for us to believe this—that he scraped tens of millions, but only saved about 3,000 just for fun and retained only that—do you find this believable?

(Deputy Prime Minister Bae) I do not think it is true. The suspect had a laptop and a separate computer. The items Coupang has currently secured are a laptop, a computer, and 2 SSDs. The laptop was damaged and thrown into the river.

(Rep. Lee Jun-seok) That's right.

(Deputy Prime Minister Bae) Therefore, there is no way the information on the laptop could have been properly analyzed.

(Rep. Lee Jun-seok) There would be no reason to analyze it too, yes.

(Deputy Prime Minister Bae) And it seems that Coupang is making its claims based on the statement given by the suspect that he accessed the computer and saved some data. However, as you mentioned, he could have uploaded data to some other cloud storage in addition to the laptop and computer. All such analyses should have been conducted. The investigation results should have been announced after finishing all such analyses. Currently, the JIT is in operation, the PIPC is in operation, and the National Police Agency is conducting investigation on these matters. It makes no sense that they announced the results first.

(Rep. Lee Jun-seok) Then I would like to ask the CISO: isn't it technically possible, as one of anti-forensic methods, to eventually crawl this kind of data and transmit it directly to a server without saving it on either a desktop or a laptop?

(Coupang CISO Brett Matthes) (Original statement) I do not know what server you are referring to.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I do not know which server you are talking about.

(Rep. Lee Jun-seok) Can you deny the possibility that this person transmitted the data, right after scraping it, directly to some unidentified server?

(Coupang CISO Brett Matthes) (Original statement) The ex-employee's signed confession, an affidavit which is supported with evidence... (Interrupted)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) The former employee signed his statement. (Interrupted)

(Rep. Lee Jun-seok) I am asking about the possibility right now. Do you deny the possibility?

(Coupang CISO Brett Matthes) (Original statement) I do not deny any possibility. (Inaudible)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I cannot deny any possibility.

(Rep. Lee Jun-seok) Ultimately, under the premise that such possibilities exist, Coupang appears to be addressing what it considers to be only the most minimized version of the potential data leak; Deputy Prime Minister Bae, in my view, this is all just wordplay, isn't it?

(Deputy Prime Minister Bae) I agree with what you said.

(Rep. Lee Jun-seok) Minister, regarding these scenarios, if they are considered to be truly fabricated scenarios, I believe the agencies who are verifying these statements need to go as far as questioning whether this so-called Chinese employee who leaked data and is giving a statement actually committed the leak, or, if he merely had the credentials and simply resigned from the company and

another suspect was involved. Because given that there is something similar to a blackmail email, we have no choice but to suspect that there may have been another suspect. You must investigate all of this.

(Deputy Prime Minister Bae) I expect the National Police Agency will look into that part as well and investigate.

(Rep. Lee Jun-seok) We keep believing what Coupang said and is referring to the suspect's statement, but we should not believe that statement; the credibility of the person who gave the statement itself is in doubt. Let me ask the CISO this question. During this process, did Coupang pay money or make any promises to any entity during this entire process. Did you or did you not?

(Coupang CISO Brett Matthes) (Original statement) Not to the best of my knowledge.
(Coupang CISO Brett Matthes) (Simultaneous Interpretation) Not to my knowledge.

(Rep. Lee Jun-seok) Then... Mr...

(Coupang CEO Harold Rogers) (Original Statement) No, we have not.
(Coupang CEO Harold Rogers) (Simultaneous Interpretation) No, we have not

(Rep. Lee Jun-seok) Not a single penny.

(Coupang CEO Harold Rogers) (Original Statement) Not a single penny. No, categorically.
(Coupang CEO Harold Rogers) (Simultaneous Interpretation) Not a single penny. I can firmly say no.

(Rep. Lee Jun-seok) We will need to investigate this statement as well. Because what's happening now looks like a classic ransomware scenario. This person might hold massive amounts of data but is pretending to store only thousands on a laptop or desktop—this kind of duplication makes me think, in the end, they want something like a ransom. Deputy Prime Minister, as an expert, you need to keep providing this kind of input to the investigative authorities.

(Deputy Prime Minister Bae Kyung-hoon) We will keep all possibilities open, investigate everything, and ensure that under the pan-government task force, we will act collectively and check every possibility rather than have each ministry move independently.

(Chairperson Choi Min-hee) Rep. Lee Hai-min, please proceed with your questions.

(Rep. Lee Hai-min) Yes, I am Rep. Lee Hai-min from the Rebuilding Korea Party. First, I want to once again express my condolences to the bereaved families. CEO Rogers, on Christmas Day, you announced a statement mentioning divers, and then on the 26th you gave an interim report saying Coupang exercised caution, in cooperation with the government, regarding the direction of communication and the choice of wording in your interactions with the leaker. Altogether, the word "government" appears 42 times. I assume that shifting responsibility to the Korean government and emphasizing cooperation with the government like that was to ensure that lawsuits in the U.S. would be more in your favor. At the hearing on the 17th, I asked whether you had come in contact with the leaker or the person who purchased this information. Do you remember?

(Coupang CEO Harold Rogers) (Original statement) At the last hearing if you asked me that?
(Coupang CEO Harold Rogers) (Simultaneous interpretation) Are you referring to the previous hearing?

(Rep. Lee Hai-min) Check the video later. At that time, you said you couldn't answer because it was under investigation—you deflected the question. If you know the facts but said you don't know, that's perjury. Then on the 25th, you suddenly made an announcement mentioning the leaker's statements. It seems you didn't respond on the 17th because you were worried about the future legal liabilities regarding your own answer, even though you were already aware of the facts. Today, even if CEO Rogers keeps giving evasive answers, we can interpret them now.

If you read the announcement released on the 25th, it says that the leaker, who was a developer, made no attempt whatsoever to destroy the data stored on his laptop. Instead, he simply submerged the device in water, even placed it in a Coupang-branded eco-bag, and left it in a state where anyone who later found it could fully access and examine its contents. As the Deputy Prime Minister also remarked earlier, this story is quite baffling. Frankly, I wonder how many people would accept this as a fact rather than view it as a staged scenario.

I checked, and this piece of news was posted in English on Reddit. The first comment—I translated it so you'd know what it says—reads: "This is really stupid. Why not just smash the SSD into pieces and flush it down a public toilet instead?" Coupang's announcement is being mocked on Reddit right now.

I'm starting to wonder if this leaker even exists. And those 3,000 records supposedly on the laptop—you'll need to investigate, but I think they might have been just leftovers from the temp directory. Also, during the process of outsourcing digital forensics to an external firm, I believe there could have been internal data fabrication and falsification. In that case, since you keep citing the leaker's testimony over and over, I think charges of evidence destruction or even instigation of evidence destruction could apply. Deputy Prime Minister, is it normal for a company to carry out its own investigation into a case already under investigation by the investigative authorities and then unilaterally announce its findings—just 30 minutes before a meeting would take place at the Presidential Office?

(Deputy Prime Minister Bae) I believe there is an extremely malicious intent behind this.

(Rep. Lee Hai-min) Right? Adding intentionality and malice to this, I think we need to investigate whether there was any attempt to influence or induce testimony or destroy evidence.

Now, a different question: CEO Rogers, according to reports, among the victims of the personal information leak, there are U.S. citizens, permanent residents, and users residing in the United States. Are you aware of this?

(Coupang CEO Harold Rogers) (Original statement) Sorry, the government agencies confirmed that we worked under their direction. The government agency confirmed that we worked under their direction.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The government agencies, government agencies have acknowledged that we conducted the investigation following their instructions.

(Rep. Lee Hai-min) Were you aware of this? If you were, and yet failed to send any message related to the leak, that itself is an issue. Even just now, you are dodging the question, which makes me think this is a question that puts you at a disadvantage and one you cannot easily answer. In that case, I will understand that the media reports were accurate. We've seen this happen before, haven't we?

You've used the Korean government as a shield while taking unilateral actions aimed at destroying evidence. As a company with security issues, you've dared to frame this as a tariff negotiation issue

between the Korean and U.S. governments. There are also reports of personal information leak involving U.S. citizens and U.S.-based users...

(Coupang CEO Harold Rogers) (Original statement) You know we worked under the direction of the national government.

Interpretation not provided

(Rep. Lee Hai-min) You delayed and downplayed SEC-related disclosures. Your management has caused multiple problems—security breaches, labor issues—posing risks that harmed U.S. shareholders' interests. That's why there's now a class-action lawsuit in the U.S. by the shareholders. Given all this, I believe now is the time for Korea and the U.S. to join hands and proceed with a joint investigation. I've thought a lot about where to start.

NTS Commissioner? I judged that actions must start from the US IRS to make the management at Coupang move. So, I am very glad you are here today. I understand that the process of the Korean NTS requesting cooperation from the US IRS is possible based on laws such as the Korea-US Tax Treaty and the Adjustment of the International Taxes Act. Especially for companies with a high proportion of offshore transactions like Coupang, the scope of cooperation could go beyond information exchange and potentially extend to tax audits as well.

Since just a simple request of an audit might be rejected, I think the investigation data currently being analyzed by KCS will be of great help. What the National Assembly keeps requesting, what we keep requesting... involves data re various decision-making processes occurring at the US headquarters. We can obtain that through cooperation with the IRS. NTS Commissioner, will you consider requesting cooperation from the IRS?

(NTS Commissioner Lim) We will make every effort to cooperate with the U.S. IRS to the fullest extent possible in areas where such cooperation is feasible.

(Rep. Lee Hai-min) The reason it has come to this far is that they are not submitting data, so from my perspective, I judged that Coupang might only move if they were hit with a 'bomb' from the US IRS'. Or I wonder if Coupang will lobby even the IRS beyond the USTR, if the IRS gets involved. The lobbying price would probably be quite high.

Minister of Science and ICT, Deputy Prime Minister, Coupang continues to drag the NIS into this matter in an attempt to obscure its own actions, including potential evidence destruction and efforts to influence testimony, by reframing the narrative as an inter-ministerial dispute over the truth. It is very impudent of them. Moreover, in the course of doing so, the company bypassed the Minister of the MSIT.

The Public-Private Joint Investigation Team is currently in operation, and since Coupang is here, I think it would be good if you could express your position, and as the Deputy Prime Minister and head of the agency that is conducting the investigation, I ask you to resolve this well and lead with responsibility.

(Deputy Prime Minister Bae) The competent ministry for platform companies is the MSIT. The MSIT can make requests and give instructions. The MSIT has not given any such instructions. The involvement of the NIS arose solely in connection with the transportation of the laptop, desktop computer, and SSDs I mentioned earlier, due to concerns about the risk of losing them during transfer and the potential for exploitation by international actors. My understanding is that the NIS merely assisted with the transportation process for these reasons. The NIS has no authority to issue instructions to Coupang.

(Rep. Lee Hai-min) I find it deeply shameful that Coupang is trying to frame matters in this way in an effort to conceal their attempt at evidence destruction. (Mic off) I ask you to investigate this thoroughly.

(Deputy Prime Minister Bae) We will investigate thoroughly.

(Rep. Lee Hai-min) That concludes my questions.

(Chairperson Choi Min-hee) Rep. Lee Joo-hee, are you going to request the submission of materials now? Please make the request for data submission.

(Rep. Lee Joo-hee) Witness Cho Yong-woo, at the last hearing... please answer briefly.

At the last hearing, I requested the submission of data on Coupang's donation details and social contribution details, and you said you would do so.

(VP Cho Yong-woo) Yes.

(Rep. Lee Joo-hee) However, you kept not submitting it, and just a moment ago, right before my questioning, you submitted this two-page document, which contains social contribution details without any further details on donation, and unilateral claims by Coupang. This left me speechless. First, regarding this content, it also appeared in the MBC report. The content about promoting APEC on boxes... is the slide up now? This content was printed on the boxes. You submitted this as a social contribution project. Isn't this just a marketing activity conducted by the team dedicated to the Presidential Office to create a pro-government image because the President had a special interest in the APEC event? How does this constitute a social contribution activity? Does Coupang consider social contribution to be a form of government relations work?

(VP Cho Yong-woo) Well, Representative.

(Rep. Lee Joo-hee) You don't need to answer.

(Chairperson Choi Min-hee) This wasn't meant for you to answer.

(Rep. Lee Joo-hee) Yes.

(Chairperson Choi Min-hee) It is a request for the submission of materials.

(Rep. Lee Joo-hee) If you want to make social contributions, engage substantial activities instead of just making empty gestures.

(VP Cho Yong-woo) Understood.

(Rep. Lee Joo-hee) Since you stated last time that such records exist, please do not just submit such groundless, unilateral claims, but submit all detailed records of how and on what date the activities occurred.

(VP Cho Yong-woo) Representative, now we...

(Rep. Lee Joo-hee) Since it is 1:15 PM right now, please submit it by 4 PM without fail.

I told you last time. According to an internal whistleblower at Coupang, in 2023, you didn't even publish an ESG report in 2023, and in 2025, you issued the so-called 'Impact Report' that is only 6 pages long. It is clearly revealed that the company is being operated with absolutely no regard for social responsibility, and you are not showing even the minimum level of formal sincerity. (Mic off) Submit your materials today without any delay.

(Chairperson Choi Min-hee) Please go back to your seat. This is a request for data submission with context. What this means is... Please take your seat. The point is that 90% of Coupang's total sales amount of 41 trillion won is generated in Korea. Yet there have been claims that Coupang donates significantly in the US or other countries. To this, Coupang replied, "We donate a lot in Korea too. We are doing a lot of social contributions." So, that is why our Representative said, "Then bring those donation details." That is how this matter came up. You absolutely must not answer carelessly now, thinking we forgot everything from the last hearing. This is a request for data submission with context; bring the details of donations you made in Korea. Your company answered that they exist.

(Rep. Lee Joo-hee) Submit the social contribution records as well.

(Chairperson Choi Min-hee) Submit the social contribution details too. Secretary Shin Jin-young, please make sure this is followed up.

Rep. Jung Il-young, please proceed with your questions.

(Rep. Jung Il-young) Let me briefly request the data first. It's for two entities, Coupang and CFS. Please submit the complete records of all national taxes, local taxes, and taxes paid to the U.S. government for the ten years leading up to 2024. The data has not been submitted yet. Now, let's begin the inquiry. Before the questions, Vice President Min Byung-ki and Vice President Lee Young-mok, please come forward to the microphone. Looking at Coupang's attitude, I honestly think this is neither an American company nor a Korean company—it feels like a company from another planet. I simply cannot understand how they continue to respond and explain itself with such indifference, incompetence, and high-handedness. In my view, strong penalties are necessary, and our citizens should leave Coupang. Furthermore, we need to break up the monopoly structure and foster alternative companies so that people have other options besides Coupang. I believe it is important for the government to make this happen. CEO Harold Rogers, is Coupang a Korean company or an American company? Please answer briefly.

(Coupang CEO Harold Rogers) (Original statement) Coupang, Inc. is a US company.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Coupang, Inc. is a US company.

(Rep. Jung Il-young) No, I meant Coupang Corp.

(Coupang CEO Harold Rogers) (Original statement) Coupang Corp. is a 100% subsidiary of Coupang Inc.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Coupang Korea is a 100% owned subsidiary of Coupang Inc.

(Rep. Jung Il-young) Is Chairman Kim Bom-suk accountable for this situation or not?

(Coupang CEO Harold Rogers) (Original statement) I am responsible as the head of Coupang Korea.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) As the CEO of Coupang Korea, I take

responsibility for this issue.

(Rep. Jung Il-young) Didn't I ask whether Chairman Kim Bom-suk is responsible or not?

(Coupang CEO Harold Rogers) (Original statement) I told you, I am responsible for the incident in Korea. I am the CEO of Coupang Korea.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) As I said, I take responsibility for this incident. I am the CEO of Coupang Korea.

(Rep. Jung Il-young) OK. You keep giving me irrelevant answers. It seems Coupang is trying to resolve this situation in a very strange way. For example, asking its employees if they know any civil servants or public officials, seemingly attempting to lobby through them.

Based on what I have heard today, it appears that you are signaling to media outlets that Coupang intends to suspend advertising and sponsorship with the media outlets in Korea; VP Lee Young-mok in charge of media-related matters, are you the one responsible for media relations?

(VP Lee Young-mok) That is correct.

(Rep. Jung Il-young) Did you say this to the media outlets? Anything to the extent of suspending advertisements. This is a form of threat.

(VP Lee Young-mok) Due to budget issues, for this month, we...

(Rep. Jung Il-young) So you did say do.

(VP Lee Young-mok) We did not. This month... (Interrupted)

(Rep. Jung Il-young) No. What you just said. Doesn't it mean that you would reduce the volume of advertisements due to lack of budget?

(VP Lee Young-mok) I told them that it is difficult at the moment. I never explicitly told them that we will suspend the advertisements entirely.

(Rep. Jung Il-young) So what you told the media outlets was that, because of budget shortages, future advertising and sponsorship with them would be difficult.

(VP Lee Young-mok) I spoke only regarding this month.

(Rep. Jung Il-young) Then, what about next year?

(VP Lee Young-mok) I never mentioned how we would proceed in the future.

(Rep. Jung Il-young) Anyway, for this month, November, you made a sort of threatening remark to the media. You shouldn't have approached them in this manner, as if you were lobbying. You should sincerely apologize to the public and come up with relevant measures. The compensation announced yesterday was also nonsense. Go back to your seat.

And as Coupang keeps saying, that they went to China... is it the NPA Acting Commissioner or the Deputy Director of the NIS?

Coupang keeps saying that they cooperated with our government. So to be clear, you are saying that you did not cooperate in any way—correct? Who is he from the police? Acting Commissioner?

Police. And where is the NIS? Time is running out, so let's pause for a second. NPA and NIS, please come forward.

(NPA Acting Commissioner General Yoo) I am the Acting Commissioner of the National Police Agency. The police have never had any contact with Coupang beforehand.

(Rep. Jung Il-young) So what Coupang is saying is not true at all, right?

(NPA Acting Commissioner General Yoo) There is no record of contact with the police.

(Rep. Jung Il-young) So what Coupang says is not true, right?

(NPA Acting Commissioner General Yoo) Which part are you referring to?

(Rep. Jung Il-young) I mean the claims made by Coupang that they cooperated with the police, went to China, and found the all the evidence.

(NPA Acting Commissioner General Yoo) Coupang claims they cooperated with the government, but the police have absolutely no records of contact with Coupang.

(Rep. Jung Il-young) Then who is here from the NIS?

(Chairperson Choi Min-hee) No one is here.

(Rep. Jung Il-young) Didn't someone come out earlier?

(Chairperson Choi Min-hee) We don't have anyone from the NIS, right?

(Rep. Jung Il-young) He didn't come even though he's the 3rd Deputy Director. Why didn't he come? Anyway.

Then, with these events happening, forensics being done, and illegal acts occurring, shouldn't the police conduct a search and seizure or investigate strongly to impose penalties and make progress fast? Why are the police staying still?

(NPA Acting Commissioner General Yoo) We are investigating swiftly, and we will thoroughly investigate all aspects, including whether there was any distortion of evidence.

(Rep. Jung Il-young) No, don't just say you will investigate thoroughly. From the public's view, since Coupang keeps insisting they cooperated with the government... I am saying this because this lies within the police domain, and is a matter related to police investigation. The police should be able to negate Coupang's claims and confidently present the supporting evidence, conduct search and seizure, and confiscate everything brought in from China.

(NPA Acting Commissioner General Yoo) Yes, regarding the materials from China... (Interrupted)

(Rep. Jung Il-young) Coupang isn't an investigative agency. Does it make any sense that they went to another country, searched through everything, and even deployed divers to conduct forensic recovery?

(NPA Acting Commissioner General Yoo) Right. We will proceed swiftly.

(Rep. Jung Il-young) No, conduct search and seizure, investigate immediately, and punish them.

(NPA Acting Commissioner General Yoo) Yes, we will proceed swiftly.

(Rep. Jung Il-young) This is so frustrating.

Next. Now that this has become an issue, the fact that they conducted an independent investigation.. Put up the screen.

"Falsely accused, false insecurity." This is what was written. It says that the Korean government is falsely attacking Coupang and breeding insecurity, right? Who wrote this English word "false," in the explanatory statement? CEO Rogers? Answer briefly... Who wrote this explanation? The distributed materials. Who used the word "False"? It's so frustrating...

(Coupang CEO Harold Rogers) (Original statement) In both the statements? The team put together the statement that was released, erm, drafted it.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Are you referring to both announcements? The team in charge of this announcement... the team in charge drafted the initial version.

(Rep. Jung Il-young) So did you know about the word "false," CEO? This expression? This is an attack on the Korean government. It is an expression that only cares about US investors, treats Korean customers as fools, and completely disregards the Korean government. Saying we are falsely... False. What did we do that is false?

(Coupang CEO Harold Rogers) (Original statement) We were working cooperatively at the direction of the Korean government, at the same time there was, there was misinformation that we were doing no such thing. I'm answering your question. There was misinformation saying we weren't cooperating with the government. We were following government directives every day. We've been very public about that. Do you think we would send divers into a river in China, if we hadn't been directed to do exactly that? Do you believe that?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We are cooperating faithfully according to the Korean government's instructions. And at the same time, there is false information. I'm answering your question. There is false information that we are currently not cooperating with the government. However, I am following instructions from the government every day. So, we made it public. So, do you think we were in China, received the answer, and did it arbitrarily on our own?

(Rep. Jung Il-young) Alright, that's enough. Enough. Please stop. Stop! No!

VP Lee Young-mok, please come forward. You distributed this to the reporters, didn't you? As the VP of Public Relations.

(VP Lee Young-mok) The distributed statement...

(Rep. Jung Il-young) Who wrote this word, "false"?

(VP Lee Young-mok) Our team handles only the materials written in Korean.

(Rep. Jung Il-young) Did Chairman Kim Bom-suk in the US instructed to say "False"? Was this drafted per Chairman Kim Bom-suk's instructions?

(VP Lee Young-mok) No. I believe the translation team probably translated it that way...

(Rep. Jung Il-young) The English material must have come out first, followed by the Korean.

(VP Lee Young-mok) No. They were produced simultaneously, and I only saw the Korean material.

(Rep. Jung Il-young) Then who made the English material?

(VP Lee Young-mok) My understanding is that this is how it came out through the English simultaneous interpretation.

(Rep. Jung Il-young) Everyone is evading responsibility in that manner...

(VP Lee Young-mok) No. However, although I am not responsible for the English version... I should have reviewed it until the end. I did not check that part. I am sorry.

(Rep. Jung Il-young) I am saying this because the expression is highly problematic.

(Chairperson Choi Min-hee) I will give you one more minute on this matter. Ask him who used the word "false" instead of "misunderstanding."

(Rep. Jung Il-young) "False" is such a crucial expression. Then did AI do it? Who did it?

(VP Lee Young-mok) I am not aware of who handled the English translation. We only prepare Korean documents. However-

(Rep. Jung Il-young) If the VP doesn't know, who knows? The CEO is also giving irrelevant answers.

(VP Lee Young-mok) Since we only handle Korean PR, I do not know that part. However-

(Rep. Jung Il-young) Then it can only be Chairman Kim Bom-suk in the US.

(VP Lee Young-mok) If the wording led to any misunderstanding, then even though it was in English, I should have reviewed it more carefully. I was not able to do so.

(Rep. Jung Il-young) Regarding my questions, NTS Commissioner, you are currently conducting a tax audit, right?

(NTS Commissioner Lim) Yes.

(Rep. Jung Il-young) So you collected additional taxes... you conducted a tax audit last time, right? And collected taxes.

(NTS Commissioner Lim) Yes.

(Rep. Jung Il-young) If I recall correctly, nearly 60 billion won was assessed in additional taxes. With this new tax investigation, Chairman Kim Bom-suk should be penalized for tax evasion, which is a criminal offense. Are you willing to do so?

(NTS Commissioner Lim) As you know well, Representative, the Seoul Regional Tax Office Investigation Bureau 4 is conducting the tax audit, and the tax audit by Bureau 4... (Interrupted)

(Rep. Jung Il-young) And Commissioner, that's regarding the corporation; regarding the individual, Chairman Kim Bom-suk didn't pay any taxes by lobbying, right? No income tax was levied, claiming

that he was an overseas resident. But since he is effectively making 90% of his profits in Korea, you can tax him.

(NTS Commissioner Lim) If there are suspicions of tax evasion, we will investigate it thoroughly.

(Rep. Jung Il-young) (Mic off) A thorough investigation must be conducted, and both Chairman Kim Bom-suk as an individual and Coupang as a corporation should be treated as tax evaders. They should be subject to penalties and referred to the prosecution.

(NTS Commissioner Lim) As I mentioned earlier, tax audits by the Seoul Regional Tax Office Investigation Bureau 4 do not ascertain the scope or subjects of the investigation in an ex-ante manner. Our policy is that if there are suspicions, we will select related persons additionally and verify the allegations thoroughly until the end.

(Rep. Jung Il-young) (Mic off) Please ensure that this is pursued thoroughly to the end. I will continue my questioning in the afternoon.

(Chairperson Choi Min-hee) Rep. Jung Hye-kyung. Please proceed with your inquiries.

(Rep. Jung Hye-kyung) I am Representative Jung Hye-kyung, a National Assembly member from the Progressive Party, a non-regular worker-turned-lawmaker. First, we saw earlier the mother of Mr. Jang Deok-jun and the sister of Mr. Kim Chung-hyun breaking down in tears. While there are people who can speak out here, we must remember that so many deaths of workers go completely unnoticed and are covered up. Bearing that in mind, I sincerely hope this hearing becomes an opportunity to hold Coupang accountable for the unjust deaths of countless workers. With that, let me say a few words.

We're going to play a video related to Mr. Jang Deok-jun. Many of you may have seen it before—it's footage of him working. At the time, Mr. Jang was 27 years old. He held a fourth-degree black belt in Taekwondo, worked out regularly, and went hiking once a week, so he was in excellent physical condition. He worked there for one year and four months, during which he lost about 15 kilograms. Let's take a look at how he worked. Please play the video.

As you just saw, he was running up three or four steps of stairs at a time, and as anyone who has visited a logistics center knows, it's extremely large and spans multiple floors.

He kept running around like that. After the claim that he ran 50,000 steps a day, as shown earlier, the counterargument was that it was closer to 20,000 steps, and later, the company said it was an even smaller number based on an actual pedometer. These details came out during lawsuits and court proceedings.

At that time, his mother was furious at comments suggesting that the deceased died of a harsh diet—she couldn't believe it. The public was outraged as well.

However, at that time, it had not yet been determined who was responsible for such claims. Of course, it was established that Coupang was making such counterarguments, but it was not revealed that the individual behind such arguments was Kim Bom-suk.

According to recent media reports, it is truly shocking. It shows that the claims were made under Kim Bom-suk's instructions. At the time, he was the CEO, and it is clear that these actions were carried out under his instructions.

As you can see, there were specific directives to record activities such as drinking water, waiting, clocking in, socializing, loitering, moving empty totes, checking the PDA on a desk, and mentions of cameras or bathroom visits. And in fact, during the lawsuits, video captures of these activities were presented. So as you can see, they selectively capture only short clips—such as 'using the break room' and then 'using the restroom'—to submit in court. This is how they systematically conceal

industrial-accident cases. And what do they say while doing that? They say, ‘They’re hourly workers—do you really think they would work that hard?’”

Please move on to the next slide. It has been revealed that Kang Han-seung, Park Dae-jun, and Harold Rogers—who is sitting right here—were all involved. This was revealed through work-related emails. So let me ask the CEO here today, Harold Rogers. Do you acknowledge that you colluded with all of this?

(Coupang CEO Harold Rogers) (Original statement) No, we worked as a company in response to the MoEL investigation, none of that has been authenticated.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) No. We responded to the Ministry of Employment and Labor’s investigation as a company.

(Rep. Jung Hye-kyung) Please answer with a simple yes or no. That’s enough. As you can clearly see here, there is an email—the sender is Harold Rogers, correct? I want to emphasize that despite such clear evidence, if you keep giving false testimony like that, it will result in punishment. And now, Former CEO Park Dae-jun.

(Former CEO Park Dae-jun) Yes.

(Rep. Jung Hye-kyung) Do you acknowledge this now? Please note that giving false testimony is punishable as you give your answer.

(Former CEO Park Dae-jun) I don’t really remember much right now. But I’ve never had any intention of obstructing anything.

(Rep. Jung Hye-kyung) The way you responded—your litigation strategy, you were manipulating evidence as your strategy for the hearing and the lawsuit at the time. Using a pedometer would serve as convincing evidence to support the case—this is what you wrote.

(Former CEO Park Dae-jun) Perhaps another worker’s...

(Rep. Jung Hye-kyung) No, no. This is clearly Mr. Jang Deok-jun’s.

(Former CEO Park Dae-jun) Are you saying that I was the one who manipulated Jang Deok-jun’s pedometer...?”

(Rep. Jung Hye-kyung) I’m not saying you manipulated the pedometer. But in order to respond to the related trial, you had to present a record that it was only 20,000 steps a day—this was discussed by Kang Han-seung and Park Dae-jun, wasn’t it? Do you acknowledge that, or not?

(Former CEO Park Dae-jun) I guess I’ll need to check on that...

(Rep. Jung Hye-kyung) So you’re saying you don’t know? That could be deemed as denial. In that case, can you move to the next slide?

(Chairperson Choi Min-hee) Let’s leave that for later. But, Witness Park Dae-jun—are you really saying here and now that you don’t remember? A person died. And you’re saying you don’t remember? It looks like you’re attempting to gloss over things because you know that the committee members are running short on time. Break that mindset and answer sincerely. And Witness Rogers—you said that you responded at the company level, correct?

(Coupang CEO Harold Rogers) (Original statement) What I said was these documents have not been authenticated. I don't know if they are true or not. What I do know is we were involved in the investigation with MOEL, and providing them with...

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The authenticity of these documents has not been verified. We cannot confirm whether they are true. At the time, the Ministry of Employment and Labor's investigation...

(Chairperson Choi Min-hee) Stop right there. You said just now that you responded on the company level —just a moment ago. As an answer to Rep. Jung Hye-kyung's question you said the company took action. And now Rep. Jung Hye-kyung is saying that it was concealment and collusion. So why is Chairman Kim Bom-suk putting forward someone who doesn't even understand the implications and nuances of those Korean words and pulling these tricks?

(Chairperson Choi Min-hee) Rep. Hwang Jeong-ah, please proceed with your questioning.

(Rep. Hwang Jeong-ah) I would like to request the submission of materials first.

(Chairperson Choi Min-hee) Yes, go ahead.

(Rep. Hwang Jeong-ah) Coupang claimed to have conducted forensics on the laptop submitted to the police as evidence. Since you said that forensics were conducted on the laptop, please submit all contracts signed with the forensics company.

I demand the laptop forensics contracts and all raw data produced from the forensic analysis of the laptop that was submitted as evidence. That is all for the request.

(Chairperson Choi Min-hee) Yes, please begin.

(Rep. Hwang Jeong-ah) I will begin my questioning.

The way Coupang is behaving in Korea right now goes beyond the realms of a suspect pretending to be a victim; it feels like watching a gangster movie.

Where else in the world would an accused meet with the criminal and take away the evidence? This is behavior that is unimaginable unless one intends to hide the crime scene and contaminate testimony and evidence.

Furthermore, Chairman Kim Bom-suk failed to attend the hearing while simultaneously releasing a belated apology in writing. I am familiar with the concept of working from home, but this is the first time I have seen someone apologizing from home.

Switching CEOs, contaminating evidence, issuing a written apology, and failing to appear at the hearing, all of this feels like I am watching a well-crafted script for Kim Bom-suk's protection and exoneration.

On top of that, these promotional coupons that are practically at the level of smishing.

The very idea of such a compensation plan is utterly dreadful.

CEO Harold Rogers, you claimed that you conducted an internal investigation and announced the findings following government instructions.

Is this claim still valid?

(Coupang CEO Harold Rogers) (Original statement) We did not do the investigation ourselves. We did it at the direction of the government.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We did not conduct an investigation on our own, but investigated according to the instructions of the government.

(Rep. Hwang Jeong-ah) Which government department did you communicate with?

(Coupang CEO Harold Rogers) (Original statement) I believe that agency has confirmed that we worked with them. I don't feel at liberty to say it.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) As far as I know, the relevant agency seems to have acknowledged that they cooperated with us. Other than that, I have nothing more to say.

(Rep. Hwang Jeong-ah) Which department is it?

(Coupang CEO Harold Rogers) (Original statement) I believe the agency has publicly said they worked with us. The NIS has said that publicly. We have not said that.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I understand that the relevant agency has acknowledged it publicly. It publicly acknowledged it, and it was not us that acknowledged it.

(Rep. Hwang Jeong-ah) So, where is that?

Is it the NIS? You are saying it is the NIS, right?

(Coupang CEO Harold Rogers) (Original statement) I said the NIS has publicly confirmed that they worked with us and directed us.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The NIS confirmed publicly that they cooperated with us and gave instructions.

(Rep. Hwang Jeong-ah) Since you mentioned the NIS, that is enough. Who in the NIS did you communicate with? Who is this person? Who did you communicate with?

(Coupang CEO Harold Rogers) (Original statement) We can provide those names to you. We'd be happy to do so.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We will provide you with that name. We will provide the name.

(Rep. Hwang Jeong-ah) Say the name. Right now!

(Coupang CEO Harold Rogers) (Original statement) I don't have their names in front of me but I will give them to you.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not have the name information with me right now, but I will deliver the relevant name to you.

(Rep. Hwang Jeong-ah) Provide the name before today's hearing ends. And is it correct that the concerned government agency gave the instructions?

(Coupang CEO Harold Rogers) (Original statement) Okay, I will at your request. If I'm being told to by a lawmaker, I will do so.

Interpretation not provided

(Rep. Hwang Jeong-ah) Did the government agency clearly use the expression that it was a "direct order"?

(Coupang CEO Harold Rogers) (Original statement) The agency told us that we needed to cooperate with them, and under Korean statute a request for cooperation is binding under law and they made us understand that we had to follow their directives.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) That agency said we needed to cooperate, and because requests for cooperation are actually binding under Korean law, we understood that we had to follow this agency's instructions.

(Rep. Hwang Jeong-ah) So there was no expression such as "order" or "direct order"? Was there no order?

(Coupang CEO Harold Rogers) (Original statement) No, there were orders. There were directives from them.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) There were orders. They were directives.

(Rep. Hwang Jeong-ah) They said it was an "order"? They said it was an "order"? Be clear.

(Coupang CEO Harold Rogers) (Original statement) They told us to reach out to the suspect. We told them that we would prefer not to. They told us again, to reach out to the suspect multiple times. We resisted and then we understood that we were bound by law to do as they directed and we reached out to the suspect.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) That agency told us to contact the suspect. We did not want to contact the suspect, but they requested us to contact the suspect multiple times, and although we refused, we learned that we had to follow the request according to the law, which is why we reached out to the suspect.

(Rep. Hwang Jeong-ah) Did that person from the NIS, whose name you said you cannot remember, tell Coupang to contact the criminal, determine the investigation method, and tell you to conduct forensics?

(Coupang CEO Harold Rogers) (Original statement) We didn't do any forensic analysis. We made a forensic image of the hard drives that we received from the suspect at the direction of the government agency and provided it to them.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We did not conduct the analysis. We collected forensic images of the hard drives. This was an instruction from a government agency, and we provided this information, this evidence, to the government agency.

(Rep. Hwang Jeong-ah) You are saying now that the government agency ordered the forensic analysis, right? That person whose name you will provide?

(Coupang CEO Harold Rogers) (Original statement) To make forensic copies. That is correct, and deliver them to them, which we did. We did not do forensic analysis on the actual devices.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) They told us to make a forensic copy and deliver it. We did not perform forensic analysis. We did not conduct forensic analysis on the actual device but made a forensic copy and delivered it.

(Rep. Hwang Jeong-ah) What you just said—if it is perjury, you will be charged with perjury. And in that situation, what did Bom Kim do? What orders did Mr. Bom Kim give in that situation?

(Coupang CEO Harold Rogers) (Original statement) I was in regular consultation with Chairman Kim but decisions were made in Coupang Korea.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I consulted with Chairman Kim continuously. However, the decision was made in Coupang Korea.

(Rep. Hwang Jeong-ah) You did send the laptop out for forensic analysis, correct? You had the forensic work conducted, and the forensic data exists. And the raw data — Coupang has that, right?

(Coupang CEO Harold Rogers) (Original statement) That's correct. The government agency has a copy, the originals were given to the police, and the government agency allowed us to make another copy that we could hold.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) That is correct. The government agency has a copy, the original was delivered to the police, and that government agency allowed us to make a separate copy for our own retention.

(Rep. Hwang Jeong-ah) Yes, I understand.

Today, several shocking facts have come to light, and it has become clear why Coupang repeatedly concealed information each time we asked about the number of leaked personal-information items by each category. Former CEO Park Dae-jun was already aware that the leaked items reached hundreds of millions. CEO Harold, you are aware of the blackmail email sent by the criminal on November 25th, right?

(Coupang CEO Harold Rogers) (Original statement) Yes.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, I am aware.

(Rep. Hwang Jeong-ah) How many address information was revealed to have been crawled?

(Coupang CEO Harold Rogers) (Original statement) The leaker told us that he had gone through roughly 33 million customer accounts.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) According to the leaker, it was said that he scanned through approximately 40 thousand 30 million customer accounts. He said he scanned 33 million customer accounts.

(Rep. Hwang Jeong-ah) 120 million cases of address information. And look here at the delivery address information. Detailed information was compromised.

560 million cases of order information. This was analyzed. It says he "analyzed" it. 31 million cases in Gyeonggi-do, 25 million in Seoul, and over 1 million delivery addresses were compromised solely in Yuseong-gu, Daejeon, where I live. This means my personal information has been leaked too.

It is a blatant lie for Bom Kim and Coupang to say that only 3,000 accounts have been saved. Furthermore, what did this criminal say?

6.3 million times per day, a maximum of 117 million times per month. Even if only one account was compromised per access, at least 500 million accounts would have been compromised from June to November. Yet Coupang is lying that only 3,000 accounts were leaked?

This is a clear play on words. There is one more point to note here, which is the entity that sent the email.

The body of the email is filled with the words "we" and "our." It means there is more than one criminal.

The criminal that Coupang met was just one person, right? Answer me.

(Coupang CEO Harold Rogers) (Original statement) We met with one individual and all of the forensic evidence and other evidence point to the fact that the individual... (Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We met one person. And all... (Interrupted)

(Rep. Hwang Jeong-ah) That's enough.

Where did you meet?

(Coupang CEO Harold Rogers) (Original statement) So under direction from the government we met the individual in China.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Following the government's instructions, we met the individual in question in China.

(Rep. Hwang Jeong-ah) You met separately without the presence of the government or investigative agencies, didn't you?

(Coupang CEO Harold Rogers) (Original statement) The government was fully involved in the meetings with the individual.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The government was fully involved in our meeting with the suspect.

(Rep. Hwang Jeong-ah) Since you met separately, isn't Coupang once again committing a crime by attempting to downplay and cover up the incident through a self-exonerating investigation? What instructions did Bom Kim give regarding this investigation process?

(Coupang CEO Harold Rogers) (Original statement) There was no Coupang own investigation. This was an investigation done with the government, at the direction of the government. I don't understand why people want to run away from that. That is what happened.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) There was no self investigation by Coupang. It was an investigation conducted according to government instructions. I do not understand why this is being denied.

(Rep. Hwang Jeong-ah) Bom Kim... forget it. What did the Board of Directors say? (Mic off) Did the Board of Directors take no action in this situation? Please state what decisions, if any, the Board made regarding this investigation process."

(Coupang CEO Harold Rogers) (Original statement) The Board told us that if we were required to cooperate with them under Korean law, we needed to follow the Korean law, which we did.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The board said that if we must cooperate according to Korean law, we will follow Korean law, and as a result, I followed Korean law.

(Chairperson Choi Min-hee) Now, Deputy Prime Minister Bae, who has been watching this, says he has something to say.

(Deputy Prime Minister Bae) They keep saying they received instructions from the government, but the entities that actually conduct these forensic examinations and log analyses are the Private-Public Joint Investigation Team led by the Ministry of Science and ICT, the Personal Information Protection Commission (PIPC), and the National Police Agency. The NIS can actually intervene in cases of international or state-sponsored data leak incidents according to the National Intelligence Service Act.

However, the NIS only provided assistance because the evidence must not be damaged or lost due to various leaks or mistakes by Coupang during the process of bringing the evidence into the country.

Therefore, regarding Coupang's claims that 3,000 accounts of data were leaked, the government views that it should have waited to hear the results of the investigation from the Private-Public Joint Investigation Team, the PIPC, and the National Police Agency before announcing them. It has already been confirmed through log analysis that emails and names were leaked.

Currently, there is a massive amount of data to analyze including delivery addresses.

For that reason, Coupang should have verified the results with us first. The National Police Agency and the PIPC are consecutively analyzing delivery address books and delivery history data, and some cases of leakage are being discovered.

Coupang should have announced the investigation results after hearing the results of our investigation first. They did something they shouldn't have done, by announcing the results before consulting with us.

(Chairperson Choi Min-hee) So, Minister, you are saying that no government agency ever instructed or ordered Coupang to contact the criminal, correct?

(Deputy Prime Minister Bae) All of this is currently being carried out under the pan-government Task Force. The pan-government Task Force has never instructed Coupang to conduct an internal investigation or intervened with it.

(Chairperson Choi Min-hee) It seems Coupang's strategy is to dilute the issue by turning the investigation results of the government and Coupang into a "truth game," but we will uncover everything until the end. We actually know everything—exactly what happened and to what extent. When you provide the answers, please keep in mind that we know much more than you think. We will take questions from Rep. Kim Hyun and then we must recess. There is a plenary session at 2:00PM. Deputy Prime Minister, you may be excused. Thank you for your hard work. Then, Vice Minister Ryu will remain, correct? Yes, we will have 7 minutes for Executive Secretary Kim Hyun and then recess.

(Rep. Kim Hyun) Please let us see the Coupang statement. (Referring to the screen) I heard the Korean statement was prepared by Vice President Lee Young-mok... Please be seated. And you said you don't know who prepared the English statement. Rogers... CEO Rogers, did you see this English statement? Did you see it?

(Coupang CEO Harold Rogers) (Original statement) Yes, I saw the English version.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, I saw the English version.

(Rep. Kim Hyun) Were you able to confirm that the Korean statement and the English statement were different? Are you aware that what was originally described as 'creating unnecessary insecurity' has been interpreted as 'false insecurity' in the English statement?

(Coupang CEO Harold Rogers) (Original statement) I don't read both languages so I was unable to check the interpretation.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don't know the language, so I didn't know how the interpretation was done.

(Rep. Kim Hyun) Vice President Lee Young-mok, please come forward. You mentioned that the Korean statement was written by you, but that you don't know who wrote the English statement. You've seen the media reports, right?

(VP Lee Young-mok) Yes, I have been following them.

(Rep. Kim Hyun) Would you like to look at the media reports? Next. It says 'Coupang Makes False Allegations in its English Statement re the Data Leak, Scrambles to Defend Stock Prices Amid Legal Disputes' -- Hankyoreh has already reported that (Coupang) made 'false allegations.'

(VP Lee Young-mok) I recall that in Korean, it said 'unfair criticism'.

(Rep. Kim Hyun) I am saying that in English, the expression says, 'false insecurity' And another point: the Korean statement says, 'Coupang met with the Korean government and promised full cooperation.' But the English statement says, 'The government approached Coupang requesting full cooperation.' That's different, isn't it?

(VP Lee Young-mok) Yes, it seems that the sentence could be interpreted differently.

(Rep. Kim Hyun) Please be seated, be seated.

So, at this morning's joint hearing, we confirmed why Kim Bom-Suk's attendance is necessary. Put it up on the screen. Over the past 15 years, for 10 years, there have been 12 requests for Kim Bom-Suk to appear before the National Assembly. He did not comply even once. CEO Park Dae-jun, who is here today, appeared as his proxy. He did so in 2020 and 2021, and then again in 2023. So, in reality, Rogers is just a figurehead, and Park Dae-jun is Kim Bom-Suk's actual proxy. Please come forward. Nevertheless, Kim Bom-Suk was seated right next to former President Moon Jae-in when they met. After 2025...Now, let's look at the next page showing the actions of Coupang's chairman. On the next slide, you can see him in action with a bright smile. However, we reconfirm that he is refusing to respond to the request to appear before National Assembly. Former CEO Park Dae-jun, please come to the witness stand.

(Rep. Kim Hyun) Since 2016, over the past 10 years, how many workers have died while working at Coupang? You've been with the company since 2012, right?

(Former CEO Park Dae-jun) Based on the industrial accident standards only... (Interrupted)

(Rep. Kim Hyun) I asked how many workers have died. I didn't say how many industrial accidents. How many deaths have occurred?

(Former CEO Park Dae-jun) In the media... Honestly, I don't know the exact number.

(Rep. Kim Hyun) NPA Acting Commissioner General?

(NPA Acting Commissioner General Yoo) Yes.

(Rep. Kim Hyun) So how many? 34. Only one was officially recognized as an industrial accident. Just one. When did you resign?

(Former CEO Park Dae-jun) Me?

(Rep. Kim Hyun) When did you leave Coupang?

(Former CEO Park Dae-jun) On the 10th of this month... (Interrupted)

(Rep. Kim Hyun) Earlier, he kept saying that he has been consulting with someone. Who does Mr. Rogers consult with? From 2016 to 2025, there were 34 worker deaths. Who was in charge during that time? Who was the CEO, the Korean representative?

(Former CEO Park Dae-jun) Until 2020, Kim Bom-suk... (Interrupted)

(Rep. Kim Hyun) Until 2020, Kim Bom-suk. After that, who?

(Former CEO Park Dae-jun) Kang Han-seung and I served as co-CEOs... (Interrupted)

(Rep. Kim Hyun) You mentioned Kang Han-seung first, but you worked for a longer time. You worked for the company for 13 years since 2012.

(Former CEO Park Dae-jun) Yes, that's correct.

(Rep.

Kim Hyun) So who at Coupang knows about all 34 deaths over the past 10 years from start to finish? It's former CEO Park Dae-

jun. Why did you resign? Who told you to step down? Did you submit your resignation voluntarily, or did Kim Bom-suk tell you to quit? Answer clearly.

(Former CEO Park Dae-jun) I...I submitted my resignation myself.

(Rep. Kim Hyun) And then did Kim Bom-Suk tell you to leave?

(Former CEO Park Dae-jun) I reported it to the board, and it was accepted.

(Rep. Kim Hyun) No, don't talk about the board of directors. Did Kim Bom-Suk, who holds 74% of the control, tell you to step down? Right? Next.

(Rep. Kim

Hyun) Let's pull up the U.S. lobbying report. From 2021 to 2023... Not that one. Ah, when Park Dae-jun was CEO. In the Form 10-K submitted by Coupang, it indicates that the main business location is the U.S.... Oh, no, not the U.S., it's listed as Korea. Right? Correct? Who submitted that? It was submitted by Coupang Inc., correct?

(Former CEO Park Dae-jun) Yes... it was by Inc. ... (Interrupted)

(Rep. Kim Hyun) So you're aware of the report.

(Former CEO Park Dae-jun) I'm not very familiar with the details of what Inc. submits.

(Rep. Kim Hyun) You don't know the details? Okay, understood. Let's say you don't know. Then, at some point, Korea disappeared even though the profit was generated in Korea. Do you know when that happened? You don't know that either? Starting from 2023, Korea was removed.

And what happens then is that Coupang engages in a lot of lobbying in the U.S. So, show the next one. In the U.S., they sign agreements with the U.S.

Department of Commerce and the International Trade Administration, lobby the U.S. Department of State, and continue doing so throughout 2025. But let's take a look at what's happening in Korea.

(Rep. Kim Hyun) A delivery worker doing Rocket Delivery dies from overwork, then another worker dies, and then another. During that time, who was the CEO in Korea? It was Park Dae-jun, the former CEO. Today, we have witnessed the bereaved family members crying out in anguish, and you kept repeating apologies and saying you would "continue discussing it." In such cases, who do you usually discuss this with? When you were the CEO, regarding all these overwork-related deaths happening in Korea, who did you consult with?

(Former CEO Park Dae-jun) I have consulted with the representative directors of the logistics subsidiaries.

(Rep. Kim Hyun) So as to avoid having them recognized as industrial accidents but to treat them all as simple death cases, right? A law firm was involved in this, wasn't it?

(Former CEO Park Dae-jun) That was not the case.

(Rep. Kim Hyun) Then how can you explain the results? Industrial accident cases... You heard the bereaved family members crying out earlier, didn't you? They said it was a typical industrial accident but it took five years, didn't they? They said it took four years, didn't they? And still, they haven't received a proper apology for the death. They only got an apology here today, and you said the discussions are still ongoing on whether to recognize it as an industrial accident or not. So Park Dae-jun, as CEO, you were also involved in that discussion, weren't you? While 34 people died.

(Former CEO Park Dae-jun) Regarding the matters that I was responsible for, I didn't say we were simply discussing...(Interrupted)

(Rep. Kim Hyun) You classified them all as simple death cases, didn't you?

(Former CEO Park Dae-jun) I didn't do that.

(Rep. Kim Hyun) Then why were the people who died on site not recognized as industrial accidents but treated as (simple) deaths? Do you know why?

(Former CEO Park Dae-jun) It is structured that I cannot directly intervene or be involved in every industrial accident case.

(Rep. Kim Hyun) (Audio overlap) You were the CEO for Korea. Then who was involved? You were the CEO for Korea, weren't you? That's why it was revealed again through the media on December 17 that Kim Bom-suk was involved.

(Former CEO Park Dae-jun) The logistics subsidiaries have their own representative directors.

(Rep. Kim Hyun) I'll proceed with additional questions.

(Chairperson Choi Min-hee) We'll take a short recess. Based on my observation of the questioning, I will allow 10 minutes for additional questions.

All aides are here, right? Prepare for 10 minutes so the flow isn't interrupted. We'll take a brief recess —does the plenary session take about an hour? Yes, we'll resume at 3:30PM. The recess is declared.

(Chairperson Choi Min-hee) Please be seated. We will resume the hearing. I will briefly question the Commissioner of the National Tax Service, the Ministry of Employment and Labor, and the Korea Fair Trade Commission before moving on to the next question. First, let me ask the KFTC. In 2024, you imposed an administrative penalty of KRW 160 billion on Coupang, correct?

(KFTC Chairperson Ju) Yes.

(Chairperson Choi Min-hee) What is the reason?

(KFTC Chairperson Ju) Unfair customer solicitation practices, unfair...

(Chairperson Choi Min-hee) What does that involve?

(KFTC Chairperson Ju) Manipulating the algorithm to rank their own PB products higher to attract customers.

(Chairperson Choi Min-hee) They also mobilized employees to post product reviews, correct?

(KFTC Chairperson Ju) That's correct.

(Chairperson Choi Min-hee) And they were imposed with a KRW 160 billion penalty, right?

(KFTC Chairperson Ju) Yes, that's correct.

(Chairperson Choi Min-hee) You also issued a corrective order, didn't you?

(KFTC Chairperson Ju) Yes.

(Chairperson Choi Min-hee) Was it implemented? A corrective order means 'stop doing the practices concerned,' doesn't it?

(KFTC Chairperson Ju) Yes, that's correct.

(Chairperson Choi Min-hee) So what did Coupang do?

(KFTC Chairperson Ju) They filed an administrative lawsuit, and, well...

(Chairperson Choi Min-hee) They requested a stay of execution from the court, and it was granted, so the lawsuit is ongoing, right?

(KFTC Chairperson Ju) Only the corrective order was accepted, and the stay of execution was issued.

(Chairperson Choi Min-hee) Only the corrective order was accepted, and the stay of execution was issued?

(KFTC Chairperson Ju) Yes. They applied for a stay of execution, and the court granted it for the corrective order, so our corrective order is not being enforced at the moment.

(Chairperson Choi Min-hee) Exactly. So the court granted a stay of execution for the corrective order, right?

(KFTC Chairperson Ju) That's correct.

(Chairperson Choi Min-hee) Witness Park Dae-jun.

(Former CEO Park Dae-jun) Yes.

(Chairperson Choi Min-hee) So does this mean Coupang will continue manipulating algorithms and mobilizing employees to post product reviews? The corrective order instructs to stop manipulating algorithms, right? That's what the corrective order says. Are you saying you won't comply? Answer quickly. Why would you seek a stay of execution from the court for something like this? You should correct it immediately.

Manipulating algorithms to expose your PB products and mobilizing employees to post product reviews—I feel like a fool for having read those reviews all this time. I don't understand. What kind of court grants a stay of execution for this? Isn't this outrageous? Regarding these unfair trade practices that mock consumers. Commissioner of the National Tax Service.

(NTS Commissioner Lim) Yes.

(Chairperson Choi Min-hee) Last time, 1,500 people were deployed to visit Coupang's head office, right?

(NTS Commissioner Lim) 150 people.

(Chairperson Choi Min-hee) 150, my apologies. But at that time, there was an expression saying that signs of tax evasion had been discovered. Where did this allege tax evasion happen? In Korea? Or is it connected to the U.S. in some way? Where exactly?

(NTS Commissioner Lim) Well... there are various aspects. Basically, we plan to review the appropriateness of some transactions such as international and domestic transactions between related parties, internal transactions, etc.

(Chairperson Choi Min-hee) Later, we'll have 10 minutes each for questioning, and I'll ask more detailed questions then. Please answer as much as you can.

(NTS Commissioner Lim) I will.

(Chairperson Choi Min-hee) Pull up the Ministry of Employment and Labor data. (Referring to the screen) Earlier... um... did Executive Secretary Kim Hyun say 37 cases? Or was it 34 cases...the deaths? But what we received from the Ministry of Employment and Labor showed a different number of deaths, and when we looked into it, the years were different. Rep. Kim Hyun was referring to 2016 and onward, right? This one starts from 2023, and as you can see, there are a lot of cases where industrial accident claims were not filed.

Look at the latter part. The latter part. There are a lot of cases where claims were not filed, and out of 25 people, only 3 were recognized as industrial accidents.

Is the director from the Ministry of Employment and Labor here?

(MOEL Minister Kim) I am the Minister.

(Chairperson Choi Min-hee) Oh, is the Minister here? Please hold for a moment. If the Minister's seat is in the back, that would be a problem. Isn't there an empty seat here?

(MOEL Minister Kim) No, it's fine. I'll sit behind the witnesses...

(Chairperson Choi Min-hee) We are not fine with is. Let's make another seat.

(Rep. Kim Nam-geun) (Mic off) The FSC Chairman is in the back, too.

(Chairperson Choi Min-hee) Apologies, please understand that this hall is very small. So, the Minister of Employment and Labor has joined us in the afternoon. Thank you.

Since the Minister wasn't here earlier...today we have Ms. Oh Hye-ri (Oh Seung-yong's sister) present. Regarding the case of Oh Seung-yong, who died during dawn delivery at Coupang's Jeju branch, have you reviewed whether it qualifies as an industrial accident?

(MOEL Minister Kim) It appears highly likely to qualify as an industrial accident.

(Chairperson Choi Min-hee) Hmm?

(MOEL Minister Kim) It appears highly likely to qualify as an industrial accident.

(Chairperson Choi Min-hee) Okay, Ms. Oh, you heard that, right?

(Oh Hye-ri (bereaved family)-observer) (From the gallery) Yes.

(Chairperson Choi Min-hee) The Minister of Employment and Labor has preliminarily judged it as qualifying as an industrial accident.

(Oh Hye-ri (bereaved family)-observer) (From the public gallery) Yes, I heard.

(Chairperson Choi Min-hee) Please pause and display the data. Not this one—let's look at this. Mr. Rogers and Mr. Matthes from Coupang, please give brief answers. How many pieces of information were leaked in this incident?

(Coupang CEO Harold Rogers) (Original statement) Around 33 million records were leaked, 3,000 were saved and then deleted.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) About 33 million records were leaked, and 43 million were stored and then deleted.

(Chairperson Choi Min-hee) Mr. Matthes.

(Coupang CISO Brett Matthes) (Original statement) I concur. There was around 33 million leaked, and I've been told 3,000 was saved, and they were all deleted.

(Coupang CISO Brett Matthes) (Simultaneous Interpretation) I agree. I heard that 33 million records were leaked and 3,000 were stored and deleted.

(Chairperson Choi Min-hee) But why ... look at this data.

(Coupang CEO Harold Rogers) (Original statement) It's too small to read in English.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The English letters are too small so I cannot see them clearly.

(Chairperson Choi Min-hee) Please enlarge it, just the red part. I'm not asking you to read it—how many records were leaked from Coupang? You said 3,000, didn't you? Didn't you announce it as 3,000?

(Coupang CEO Harold Rogers) (Original statement) No, we said around 33 million customer accounts were leaked, 3,000 customer account information was saved, and then deleted by the threat actor.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) 33 million customer accounts were leaked, and 3,000 records were stored—the suspect stored 3,000 records and then deleted them.

(Chairperson Choi Min-hee) Show the one next to it. We can't see. Specifically, more than 120 million delivery address records, over 560 million order records, and more than 33 million email address records were leaked. And this part about Japan... new... we'll skip that. So now, you can't try to pool the wool over one's eyes and say that only 3,000 accounts have been leaked. MSIT Vice Minister Ryu, how many were leaked this time? Please comment on the claim about the part that 3,000 were stored.

(MSIT Vice Minister Ryu) From the initial forensic results by the Public-Private Joint Investigation Team, names and emails accessed by and transferred to the attacker from Coupang's system to outside amount to about 34.9 million. After removing duplicates, it's confirmed to be around 33.6 million records.

(Chairperson Choi Min-hee) Okay.

(MSIT Vice Minister Ryu) After that, we are checking records of access to the "Edit My Info" page, as well as how many times pages related to delivery addresses and order history were accessed.

(Chairperson Choi Min-hee) Let's stop there. So statements like "only 3,000 cases were leaked" or "only 3,000 cases were stored" are incorrect, right?

(MSIT Vice Minister Ryu) About that, we don't exactly know how the 3,000 cases were... It seems those claims rely solely on the leaker's testimony. We haven't been given any explanation of how that was verified.

(Chairperson Choi Min-hee) That's enough on that. Next material—put it up. This is the document that has been at the center of this truth game between the representatives and Coupang all day. The one on the left is what was announced in Korea. The one on the right is what was reported in the U.S. In the former, it says 'unnecessary insecurity,' while in the latter, it says 'false insecurity.' Again, in the former, 'despite receiving unfair criticism,' in the latter, 'false allegations were made against Coupang.' 'Coupang promised to fully cooperate with the government.' In the U.S. version, it says 'the government contacted Coupang requesting full cooperation.' The nuances are all different, and today, Coupang is even claiming that the government supposedly ordered them to meet with the suspect. We all know the intention behind trying to turn this into a truth game, and I will continue to address this point by point.

And earlier, someone mentioned to the extent that Coupang made a threat to the media outlets, and since then, the media coverage has changed drastically. Don't think that it was a success. After the plenary session, I researched all the media reports, and their tone is changing. You really can't be spreading fake narratives internationally like this—it's unacceptable.

The first round of questioning is over. During this process... you may return to your seat. Did we receive any documents from the government side or Coupang? Representatives, did you get the requested materials? Rep. Kim Nam-geun, you didn't receive yours, right?

(Rep. Kim Nam-geun) (Mic off) Not yet.

(Rep. Kim Young-bae) (Mic off) I haven't received mine, either.

(Chairperson Choi Min-hee) Aide Park Jin-hyung, we should at least get the government's materials. We'll make sure to follow up on that.

(Rep. Kim Hyun) (Mic off) Point of order.

(Chairperson Choi Min-hee) Executive Secretary Kim Hyun.

(Rep. Kim Hyun) Simultaneous interpretation is being provided without issues, but I'm curious why interpreters are still assigned to interpret for Coupang's Korea representative director and the CISO, respectively.

Honestly, the voices of the interpreters are probably audible to everyone around them, and it's disrupting the smooth progress of the meeting. Please check whether interpretation is really necessary and why it's being provided when there is a separate set of interpretation being provided on the floor.

(Chairperson Choi Min-hee) We already addressed that earlier. You just want that checked again, right?

(Rep. Kim Hyun) Yes. Why isn't Coupang cooperating and continuing to provide their own interpretation... Is interpretation not provided on the floor? It is provided, isn't it?

(Chairperson Choi Min-hee) They're simply refusing to cooperate. They're refusing to cooperate with our hearing.

(Rep. Kim Hyun) Please issue another warning. Another warning. And also, the Commissioner of the National Tax Service and the Chairperson of the Personal Information Protection Commission sitting here probably find it very hard to focus on the meeting because of the noise. If that's the way they're trying to disrupt the meeting, please warn them. It's impossible to concentrate. (Statement after mic off) I can hear both sides of the audio right now.

(Chairperson Choi Min-hee) And about interpretation—I've already mentioned this before. Look, the interpreter here is the one who mistranslated 'lowest rate' as 'relatively low' last time. And earlier, I asked for confirmation whether the interpretation device was on and whether they were listening to it. I already mentioned this before, but they are still not cooperating. Let me repeat: do not disrupt the progress of the meeting.

The only reason we're continuing like this is not because of the foreign witnesses who have come here to act as shields. We're providing simultaneous interpretation for our citizens watching this hearing, and that is why we are proceeding like this. I just can't understand how someone who made such a serious mistranslation is sitting here interpreting. I really can't understand that.

Let's move on to the additional questions.

Since seven minutes felt insufficient this morning, the additional questioning will be 10 minutes. Please proceed according to the distributed order of questioning, starting with Rep. Kim Nam-geun.

(Rep. Kim Nam-geun) Before questioning the witness, I'd like to first ask the KFTC Chairperson. Earlier this morning, it seemed you didn't have a clear grasp of the issue, so let me clarify again.

(KFTC Chairperson Ju) Okay.

(Rep. Kim Nam-geun) There was a case where Coupang was imposed with an administrative penalty of KRW 168 billion, correct?

(KFTC Chairperson Ju) Yes, that's correct.

(Rep. Kim Nam-geun) For manipulating search rankings and reviews. But what's even more important is the underlying premise.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Nam-geun) What Coupang did first was analyze the data of products sold by vendors who signed up with Coupang. Since these activities happen within Coupang's platform, the company can conduct internal data analysis.

(KFTC Chairperson Ju) That's correct.

(Rep. Kim Nam-geun) Then, through data analysis, they identify which products sell well and which seem more profitable. And then, through the vendors, they find out which consignees from China are supplying those products. Then they go to China and say, 'From now on, supply these as Coupang PB products.' That's how Coupang ends up sourcing the same products. First, they misappropriate their vendors' business information which constitutes trade secrets and use that to create their own PB products. The second step is, they manipulate search rankings, so their PB products sell better while pushing out their vendors' products, eventually driving those vendors out of business. That's the key point of this case.

(KFTC Chairperson Ju) Yes, that's correct.

(Rep. Kim Nam-geun) So, this first step also needs to be investigated. In addition to the KRW 168 billion penalty for manipulating search rankings, which happened during the second step, in the first step, according to the Act on Fair Transactions in Large Retail Business, business information about the vendors-

(KFTC Chairperson Ju) -is prohibited from being requested.

(Rep. Kim Nam-geun) Right, the company cannot request such information.

(KFTC Chairperson Ju) That's correct. Yes.

(Rep. Kim Nam-geun) So that's the point. As stipulated under the Unfair Competition Prevention and Trade Secret Protection Act, forcibly obtaining trade secrets constitutes a breach of the Act. That part needs to be investigated as well.

(KFTC Chairperson Ju) We didn't recognize that as an official allegation to be made into a case, so we didn't investigate... (Interrupted)

(Rep. Kim Nam-geun) As I keep saying, the Yoon Suk-yeol administration's protection and favoritism toward Coupang is what led Coupang to devise such a management strategy. So under the Lee Jae-myung administration, we must correct such behaviors of Coupang.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Nam-geun) The Democratic Party's Euljiro Committee once created a task force called 'Coupang Correction TF.' The goal was to address Coupang's actions that disturb market order and labor market order, and disregard laws and the administration. Under the Yoon Suk-yeol administration, we couldn't exert enough influence, so we couldn't fully accomplish what we

intended to do, but under the Lee Jae-myung administration, we must truly bring about the correction of Coupang.

(KFTC Chairperson Ju) Yes, yes.

(Rep. Kim Nam-geun) Let me ask the witness about this. The witness in the back.

(Witness Park) Yes.

(Rep. Kim Nam-geun) How long have you been selling products on Coupang as a vendor?

(Witness Park) Our company started in the early days of Rocket Delivery, so it's been about 10 years.

(Rep. Kim Nam-geun) About 10 years, right? I won't ask for specific product details out of concern that Coupang may identify you. Among the products your company sold on Coupang, there were many that ranked No. 1 in sales, correct?

(Witness Park) That's correct.

(Rep. Kim Nam-geun) In some cases, a few months later, Coupang suddenly started selling products with the same design and functionality under Coupang-branded products, or PB products. Right?

(Witness Park) Yes, it happened repeatedly.

(Rep. Kim Nam-geun) Please show page 3. (Referring to the screen) Look at page 3 of the PPT. When joining Coupang as a vendor, you have to submit documents in advance, and those documents include details like which Chinese consignee supplies the product, correct?

(Witness Park) Yes, that's correct.

(Rep. Kim Nam-geun) Coupang analyzes data within its platform to see which products sell well and which are more profitable. In these cases, they can look at the documents submitted by the vendors who signed up and identify which manufacturer produces the products, correct?

(Witness Park) Yes, basically we are required to enter information about the Chinese or overseas factories that handles consigned manufacturing. Among the data Coupang holds are the supply price that we provide to Coupang and the sales price when Coupang sells our products. From that, they can calculate the sales margin as well as the profit margin.

(Rep. Kim Nam-geun) Let's stop there and move on to the next point. You once directly reached out to the Chinese consignee and asked whether Coupang had ordered the same products from them, right?

(Witness Park) Not only by phone—I also contacted them via WeChat and even made a visit in-person. I witnessed that identical products were being manufactured under Coupang's PB brand and have evidence of it.

(Rep. Kim Nam-geun) And you also said that you showed photos of the same product your company makes to the Chinese manufacturer and confirmed whether they were produced there, correct?

(Witness Park) More than photos—I confirmed that Coupang took the actual product of our company to the Chinese manufacturer and requested them to make identical products.

(Rep. Kim Nam-geun) In the end, that manufacturer supplied the same design and identical products to your company and also supplied them...to Coupang where they can sell the products directly correct?

(Witness Park) Yes, that's correct.

(Rep. Kim Nam-geun) But later, you saw that Coupang's PB-branded version of that product climbed to the top of the search rankings, while your product was pushed down and eventually your products were practically driven out of the market, right?

(Witness Park) We experienced multiple cases where our products, which had ranked first in sales, saw a sharp drop in sales due to malicious algorithm manipulation and reviews by Coupang employees.

(Rep. Kim Nam-geun) And later, Coupang was imposed with a KRW 168 billion penalty for manipulating search rankings, but the KFTC never investigated this part—where Coupang extracted the vendor's information and used it to create PB products and have them supplied to Coupang, correct?

(Witness Park) Yes.

(Rep. Kim Nam-geun) Next, Attorney Kwon Ho-hyeon, who is here as a witness, please come forward. Please pause the timer for a moment.

(Attorney Kwon) Hello, this is Kwon Ho-hyeon.

(Rep. Kim Nam-geun) I will refer to you as witness. Witness, you once heard through civic group activities that Coupang obtains trade secrets related to the Chinese consignees used by the small and medium-sized companies supplying to Coupang and then sells products under its private brand. You once researched to see what kind of cases like that existed, right?

(Attorney Kwon) Yes, that's correct. We received numerous reports from the People's Solidarity for Participatory Democracy, and we spent about three hours looking into about 100 reports without realizing how much time had passed. It was endless.

(Rep. Kim Nam-geun) Page 4. Please pull up page 4. Looking at the PPT, on the left, in the first ranking, is what Coupang sells under its own brand, and you can see it only has about 258 reviews. Then on the right is what a small-sized vendor sells, and the review count is about 10 times as many—about 2,500. But when you look at it (Coupang website), Coupang's PB products are marked as "Coupang Recommended," and the search ranking was set so that Coupang's PB products appeared first, correct?

(Attorney Kwon) Yes, that's correct.

(Rep. Kim Nam-geun) This is how they manipulate search rankings. Please pull up page 5. Also... the... the witness once investigated and found that the same products—one from a small-sized vendor and one from Coupang's PB brand—were made by the same manufacturer. Here, we've marked it with a box, and you can see it's written in Chinese, probably

Shenzhen... something like that. So they're producing the products at the same place, right? The same manufacturer produces Coupang's PB brand products?

(Attorney Kwon) It's the same factory. It was the same product. The appearance was identical, and the mold is presumed to be exactly the same.

(Rep. Kim Nam-geun) So, after looking into it, you found there were many such cases—Coupang's PB products and the products sold by existing vendors who were selling them first were sharing the same manufacturer, right?

(Attorney Kwon) It's hard to say that they were all from the same factory, but some were. And there were hundreds of cases where it was fairly clear that the products had been copied.

(Rep. Kim Nam-geun) Next, please pull up page 6. According to page 6, the data that Coupang has... Coupang had a department called CPLB. CPLB was the department that created PB products, and later it was spun off as a subsidiary.

(Attorney Kwon) That's correct. July 1, 2020.

(Rep. Kim Nam-geun) Even though it became a subsidiary, Coupang owns 100% of its shares, so it's practically a business unit of Coupang, right?

(Attorney Kwon) That's correct.

(Rep. Kim Nam-geun) That department sought legal advice on whether it could use data from Coupang's vendors to create its PB products, correct?

(Attorney Kwon) That's correct. That's the email.

(Rep. Kim Nam-geun) Next page, please turn to page 7. There, it says that order details of specific vendors doing business with Coupang have economic value and therefore constitute trade secrets. So to use such information, one must pay the corresponding amount in return. That's what it says. So Coupang internally knew that using vendor data was an illegal act, correct?

(Attorney Kwon) Yes, they were fully aware. And more precisely... (Interrupted)

(Rep. Kim Nam-geun) Next, please show slide 8. Here we see an exchange involving the security officer, where it shows that an instruction was given to delete the email. Effectively, this was an email directing a deletion of internal communications that included legal advice acknowledging that these actions were illegal.

(Attorney Kwon) Yes, that's accurate.

(Rep. Kim Nam-geun) So Coupang knew these acts—taking seller information, creating PB products, and boosting their own sales—were illegal. They even sought legal advice, understood it was unlawful, and later issued instructions to delete those emails because they feared it would become a problem, right?

(Attorney Kwon) Correct. The deletion order came within two

days. There's even a report email saying, "All deletions completed." They must not have been able to delete that one.

(Rep. Kim Nam-geun) (Audio overlap) Turn to the next page. So in the end, Coupang squeezed information out of the vendors who signed up on Coupang to create PB products and increase its direct sales ratio. Overall, out of KRW 36 trillion in sales revenue in 2024, KRW 24 trillion came from direct sales. That's how they... (Statement after mic off) increased their direct sales ratio, right?

(Attorney Kwon) That's correct.

(Rep. Kim Nam-geun) (Mic off) Even for the direct sales, Coupang doesn't manufacture the products itself—it is outsourced to suppliers, right?

(Attorney Kwon) That's correct.

(Rep. Kim Nam-geun) (Mic off) And when those direct-sale products sell well, Coupang charges suppliers sales incentives or sales promotion costs, correct?

(Attorney Kwon) Yes, that's correct.

(Rep. Kim Nam-geun) About 10%, right? Of the total sales revenue?

(Attorney Kwon) According to the KFTC's findings, it's slightly less than 10%.

(Rep. Kim Nam-geun) (Mic off) KFTC Chairperson?

(KFTC Chairperson Ju) Yes, sir.

(Rep. Kim Nam-geun) (Mic off) Isn't it highly unusual to receive about 10% of the total sales from suppliers as sales promotion costs or sales incentives?

(KFTC Chairperson Ju) Yes, it appears quite unusual.

(Rep. Kim Nam-geun) (Mic off) Shouldn't this also be investigated as an unfair practice?

(KFTC Chairperson Ju) We'll review it.

(Rep. Kim Nam-geun) (Mic off) I'll conclude here.

(Chairperson Choi Min-hee) Right now, the government side is responding to lawmakers' questions by saying, "We'll review it," correct? Please write down all those instances. We'll check later. And Rep. Kim Nam-geun, did you receive the materials?

(Rep. Kim Nam-geun) (Mic off) No, I have not.

(Chairperson Choi Min-hee) Hmm... Lee Jae-gul... Witness Lee Jae-gul, right? Earlier, Rep. Kim Nam-geun requested materials related to Coupang filing a complaint against reporter Park Hyun-gwang, who raised issues about Coupang. He also requested materials on criminal actions taken against civic activists and vendors who signed up on Coupang. The materials about forcing them into silence—you said earlier you'd provide it, so why haven't you?

(VP Lee Jae-gul) I understand the materials are being prepared.

(Chairperson Choi Min-hee) By when will you have them ready?

(VP Lee Jae-gul) We'll prepare them as quickly as possible.

(Rep. Kim Nam-geun)(Mic off) You need to provide them by today. How else would we question you?

(Chairperson Choi Min-hee) Not by today.
It's been 10 minutes already, so don't you need them before the next round of questions?

(Rep. Kim Nam-geun) (Mic off) Yes, I do.

(Chairperson Choi Min-hee) And the Ministry of Land, Infrastructure and Transport—did you submit the standard contract related to the social agreement to prevent overwork deaths among Coupang delivery drivers? You may sit down.

(Transportation & Logistics Director Eom) (Mic off) Yes, we submitted it.

(Chairperson Choi Min-hee) Did you receive it, Rep. Kim?

(Rep. Kim Nam-geun) (Mic off) Not yet.

(Transportation & Logistics Director Eom) I heard that they contacted the aide's office...

(Chairperson Choi Min-hee) Rep. Kim Young-bae, please start by requesting material submissions...

(Rep. Kim Young-bae) (Mic off) I haven't received them.

(Chairperson Choi Min-hee) Yes, request that first.

(Rep. Kim Young-bae) (Mic off) No, I'll just start right away.

(Chairperson Choi Min-hee) Or do you just want to proceed? Okay, okay.

(Rep. Kim Young-bae) I'm Kim Young-bae, representing Seongbuk Gap, Seoul. Let me ask my question to CEO Harold. The U.S. Securities and Exchange Commission requires disclosure within four business days when a major security incident occurs. So why did you make the disclosure so late on December 15, more than two weeks later?

(Coupang CEO Harold Rogers) (Original statement) Given the sensitivity nature of the data that includes names, emails, addresses, etc., which were disclosed that did not include any financial data, didn't include any login data, government ID data. Given those factors it was not considered material under the analysis by the US SEC, so we didn't file until, uh, in that four-day period because we were not required to by the US law.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Considering the sensitivity of the data—names, emails, and addresses—it did not include payment information, login credentials, or government identity data. Based on that, according to the SEC's analysis, it was not considered material information, so we did not report within four days. Disclosure of such was not mandatory under U.S. law.

(Rep. Kim Young-bae) So you're saying it was not a material leak, and that's why you reported it late. That's been the consistent strategy from the start. It's the same pattern: you conduct a self-investigation, and even if it means clashing with the Korean government, your only goal is to reassure the U.S. SEC and the shareholders—including those who filed lawsuits in the U.S.—and manage the stock price. Even if it means clashing with the Korean government, you keep insisting this was not a major leak, and that your investigation found no issues. You keep repeating that. In my view, that's a very bad motive. This is typical behavior of 'legal eels'. Now, Mr. Rogers, let me ask you: regarding the leaker, in other words, the suspect of the crime, who in Coupang gave the order to contact that person, obtain their statement, and investigate it? Was it you?

(Coupang CEO Harold Rogers) (Original statement) The government agency gave us the instruction, and then we did it. I don't understand why the Korean government is not sharing this information with the people. The Korean people should know this. I don't know why the Korean government is not sharing this information with them.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The government agency instructed us, and we followed that instruction. The Korean government... Korean citizens should know this. Why...

(Rep. Kim Young-bae) (Audio overlap) Hold on. Did you...

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don't understand why the Korean government is not sharing this information.

(Rep. Kim Young-bae) (Audio overlap) I'm asking if you gave the order yourself. Did you give the order?

(Coupang CEO Harold Rogers) (Original statement) The government agency instructed us.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The government agency gave us that instruction.

(Rep. Kim Young-bae) Not "us." Not "us", I'm asking who in the company told the subordinates to do that.

(Coupang CEO Harold Rogers) (Original statement) The government agency instructed us.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The government agency instructed us.

(Rep. Kim Young-bae) The government. The government doesn't run the company, does it? Who inside the company gave the order?

(Coupang CEO Harold Rogers) (Original statement) Why don't you want the Korean people to know about this information? Why are you hiding this from the Korean people? I don't understand. We worked with the Korean government, they gave us instructions and we followed them. Why won't you share that with the people? Why won't you share that?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Don't you want Korean citizens to know this information? Why are you hiding this information from Korean citizens? I don't understand. We're cooperating with the Korean government, and the Korean government gave us the instructions. Why don't you want to share this information with Korean citizens?

(Rep. Kim Young-bae) I'm asking who inside the company gave the order. Why are you giving false, irrelevant answers?

(Coupang CEO Harold Rogers) (Original statement) Nobody made the instructions inside the company. The government agency instructed us and we did what the government agency told us to do.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) No one inside the company gave the order. The government agency instructed us, and we simply followed the government's instructions.

(Chairperson Choi Min-hee) Wait a moment. Hold on. Stop right now. You're giving irrelevant answers. He's not listening to this, and we have no idea what that interpreter is saying. Because Rep. Kim Young-uae is not asking about whether the government gave instructions. For example, Vice Minister Ryu Jae-myung cannot give instructions to Coupang's internal employees, right? He asked who inside Coupang handled this task, so why are you talking about something else? Up to this point...(Interrupted)

(Coupang CEO Harold Rogers) (Original statement) I am listening to the interpretation. I'm answering the question. The government agency gave us the directives. We did not make a decision internally in the company.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am listening to the interpretation. I am answering. The government body gave us instructions. We did not make the decision ourselves.

(Chairperson Choi Min-hee) Wait a moment. The interpretation is wrong right now.

(Coupang CEO Harold Rogers) (Original statement) I'm sorry you don't like my answers, but they are truthful.

Interpretation not provided

(Chairperson Choi Min-hee) Hold on.

(Coupang CEO Harold Rogers) (Original statement) Why are you hiding this from the Korean people? Why won't you share this with the Korean people?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Why are you hiding this fact from the Korean people? Why aren't you informing the Korean people of the truth?

(Rep. Kim Young-bae) (Mic off) (Audio overlap) Who's hiding what, what is this nonsense?

(Chairperson Choi Min-hee) Coupang, you really cannot behave like this here. Now...

(Rep. Oh Gi-hyoung) (Mic off) He's putting on a political show, that person. A political show.

(Rep. Kim Young-bae) This guy, seriously!

(Chairperson Choi Min-hee) Wait a moment. Here's what we'll do.

(Rep. Kim Young-bae) Who do you think you are to speak so boldly here?

(Chairperson Choi Min-hee) Interpreter, interpreter. No, interpreter.

(Rep. Oh Gi-hyoung) (Mic off) The person in the back interpreting. Interpret correctly. He's putting on a political show right now.

(Chairperson Choi Min-hee) And...

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Why aren't you informing the Korean people of this information? Why aren't you informing the Korean people?

(Chairperson Choi Min-hee) (Audio overlap) No, wait!

(Rep. Kim Young-bae) Who are you trying to shift the blame to now?

(Chairperson Choi Min-hee) Rep. Kim, this is Coupang's strategy, I'm telling you. Let's organize this. Please wait a moment.

(Rep. Kim Young-bae) Enough is enough!

(Chairperson Choi Min-hee) Check if this interpretation device is working and if they're listening. Hold on. And interpreter—take the mic... (Interrupted)

(Coupang CEO Harold Rogers) (Original statement) Would you like me to check?
Interpretation not provided

(Chairperson Choi Min-hee) Take the mic. Okay, take the mic and interpret exactly what I say. That's how we'll do it now. The representative is short on time, so... that's fine, just speak loudly. The question is not whether the Korean government requested cooperation from Coupang. That's not the issue. The issue is who inside Coupang contacted the suspect and carried out the action. The government cannot order employee A inside Coupang to contact the suspect, so the question is about the internal employee—the person in charge.

(Coupang CEO Harold Rogers) (Original statement) Are you asking who was the person who actually contacted the person or who instructed the person to contact him?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Are you asking who actually contacted the former employee, or who gave instructions to contact the former employee, which one is it?

(Rep. Kim Young-bae) Answer both. Both of them. You should answer both of them.

(Coupang CEO Harold Rogers) (Original statement) The Korean government...

(Coupang CEO Harold Rogers) (Simultaneous interpretation) [interrupted]

(Chairperson Choi Min-hee) No, leave the "Korean government" out of this. We are not asking about the Korean government.

(Coupang CEO Harold Rogers) (Original statement) That's where the instruction came from. Our team did not instruct anybody. The Korean government directly instructed our team, who then went and spoke to him.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The instructions came from there. Our team did not instruct anybody. The Korean government directly instructed our team. Then we contacted the suspect.

(Rep. Kim Young-bae) You keep saying "team." You are completely denying personal responsibility and shifting blame, aren't you? You need to give a clear answer on your role and responsibility. If you weren't there, then say the name of the person who was in charge on behalf of

you. That's what we're asking. Why can't you answer that? Is it because this is a criminal act? You're avoiding the answer because you know it's a crime, right?

(Coupang CEO Harold Rogers) (Original statement) The decision was not made by the company. The decision was made by the Korean government. There was no decision inside the company.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The Korean government made the decision. There was no internal decision.

(Rep. Kim Young-bae) Wow... we really can't just let this slide. To the Korean employees sitting in the back—what do you think? Is this a joke to you, against the public? Is this how Coupang operates? Are you really going to do this? Coupang always claims to be an American company, but does an American company just blindly follow government orders and keep saying, "We only do what the government tells us"? Let me ask again: other than him, who is the next person in charge at Coupang?

(Chairperson Choi Min-hee) We checked...(Interrupted)

(Rep. Kim Young-bae) Who is the next person in charge that can answer my question?

(Chairperson Choi Min-hee) I received an internal report that it's Vice President Lee Jong-gul.

(Rep. Kim Young-bae) Just now—Lee Jong-gul? Vice President, please stand up. Where are you?

(Chairperson Choi Min-hee) Lee Jae-gul. My apologies. Lee Jae-gul.

(Rep. Kim Young-bae) Lee Jae-gul? Regarding the self-investigation we mentioned earlier—who gave that order within Coupang?

(VP Lee Jae-gul) As our CEO said, we understand that it was carried out under instructions from a government agency.

(Rep. Kim Young-bae) Then to whom did the government agency give instructions to?

(VP Lee Jae-gul) The government agency contacted, gave instructions to one of our employees, and we proceeded accordingly.

(Rep. Kim Young-bae) Which employee?

(VP Lee Jae-gul) I can't disclose the employee's name because I don't have their consent.

(Rep. Kim Young-bae) Fine. Then who did that employee report to?

(VP Lee Jae-gul) The employee kept receiving reports from the government agency... (Interrupted)

(Rep. Kim Young-bae) No, I'm asking who the employee reported to internally—up the chain. Did he report to you?

(VP Lee Jae-gul) The government agency told us to share it only with certain relevant people. They emphasized that we should not share it widely within the company internally or certainly not with other government agencies.

(Rep. Kim Young-bae) So you're saying you received reports from that employee, right?

(VP Lee Jae-gul) At first, I didn't even know the employee had been contacted by the government agency. The employee kept following instructions from the government agency.

(Rep. Kim Young-bae) You keep insisting you were given instructions. Fine, the truth will come out later. But was this crime committed solely by the employee?

(VP Lee Jae-gul) We followed instructions from the government agency... (Audio overlap)

(Rep. Kim Young-bae) So you're just trying to cut off responsibility like that?

(VP Lee Jae-gul) I do not think it is a crime.

(Rep. Kim Young-bae) This looks like something that should be investigated, in my view. All right, time is running out, so let's leave it here for now. Honestly, these people can't be left unchecked. Then let me ask this. Vice President Kim Yoo-suk isn't listed as an executive, but looking at his pay, including RSUs—restricted stock units—he received about KRW 3 billion last year alone. That's almost the same amount Kim Bom-suk received. We don't know if regular employees get anything close to that. CEO Harold, last year Kim Yoo-suk received about KRW 3 billion in salary and RSUs combined. Does this apply to other executives as well?

(Coupang CEO Harold Rogers) (Original statement) My understanding is for employees at his level, he was actually making below average, his salary was below in average for other Coupang employees at his level.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) As far as I know, for executives at that level, that compensation is actually lower than the average for similar positions.

(Rep. Kim Young-bae) Then he is an executive, right?

(Coupang CEO Harold Rogers) (Original statement) No, Yoo Kim is not an executive officer at Coupang.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) No, Kim Yoo-suk is not an executive officer at Coupang.

(Rep. Kim Young-bae) You just said he was an executive a moment ago.

(Coupang CEO Harold Rogers) (Original statement) No, I said he was an employee. I hope you're getting the right interpretation – I said he's an employee, and makes less than the average employee at his level.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) Yoo Kim is an employee, Yoo Kim is an employee, and on average, his salary's less than the average compared to others at his level.

(Rep. Kim Young-bae) He is a VP but not an executive?

(Coupang CEO Harold Rogers) (Original statement) He's not an executive officer. No.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) He is not an executive. No, he is not.

(Rep. Kim Young-bae) The person who answered earlier—who is that? Now, is this person, Mr. Kim Yoo-suk, an executive or not?

(VP Lee Jae-gul) To my knowledge, he is not an executive.

(Rep. Kim Young-bae) Isn't it strange that he's getting such a high salary even though he's not an executive? Isn't it? What does he do to earn that much?

(VP Lee Jae-gul) Compared to others at a similar level, I don't understand it as being particularly high.

(Rep. Kim Young-bae) So you're saying the salary is high. Then, when designating the "same person" ... so this is a so-called *chaebol*, right? KFTC Chairperson, shouldn't the matter of 'same person' designation be reviewed again?

(KFTC Chairperson Ju) Yes, this time... In the past, we judged that he was not participating in management, so he met the exception conditions for "same person" designation. But we will investigate the matter again.

(Rep. Kim Young-bae) Last year, the Seoul Eastern District Court had a similar case. There was a precedent where the court ruled that an individual receiving such a high salary was considered an executive. Are you aware of that?

(KFTC Chairperson Ju) Yes, I've heard of it.

(Rep. Kim Young-bae) Yes, there was an individual who received 340,000 stock options and 100,000 RSUs. In this case, that individual was the Chief Information Security Officer of Coupang Asian Holdings, based in Singapore.

(KFTC Chairperson Ju) Yes.

(Rep. Kim Young-bae) Right? It was a lawsuit related to Mr. A. In that case, the court ruled that this individual was an executive. So even if someone is not officially an executive, if they receive such a high salary and is a related party within the company, that clearly meets the criteria for being designated as the "same person," correct?

(KFTC Chairperson Ju) That's correct.

(Rep. Kim Young-bae) Right?

(KFTC Chairperson Ju) We need to verify that.

(Rep. Kim Young-bae) Is it Article 38 of the Monopoly Regulation and Fair Trade Act? There's a provision related to the designation of the "same person," isn't there?

(KFTC Chairperson Ju) That's right.

(Rep. Kim Young-bae) This absolutely needs to be reviewed again, that's what I want to say. Earlier, when I saw CEO Harold acting evasively, I thought, as I said before, he's just like Yoon Suk-yeol. Mobilizing all these 'legal eels' and leaving it all up to those in charge at the company, it is such typical leveraging of the law... to focus solely on managing shareholders and stock prices of the U.S. entity—even if it means clashing with the Korean government. From what I observed today in their attitude and answers, you can clearly see how Coupang views the Korean people and our

government. No matter how much Korea aims to be a business-friendly country, (Mic off) cases like this cannot be tolerated. I will continue my questioning later.

(Chairperson Choi Min-hee) Vice Minister Ryu, we're giving you an opportunity to speak. Please don't speak in general terms—did you hear what Mr. Rogers just said?

(MSIT Vice Minister Ryu) Yes, yes.

(Chairperson Choi Min-hee) He said the government of the Republic of Korea directly gave specific operational instructions to Coupang employees.

(MSIT Vice Minister Ryu) That's correct.

(Chairperson Choi Min-hee) Since the public is watching, please go through each point clearly and explain.

(MSIT Vice Minister Ryu) As you mentioned, Chairperson, Coupang is unilaterally claiming that its internal investigation was conducted under the instructions of a government agency. Earlier, the Deputy Prime Minister also briefly addressed this. I would like to clarify the official government position at the pan-government TF level, where all agencies are participating in: I state clearly that no government agency has ever instructed or was involved in Coupang's internal investigation. While this is a pan-government TF that is in operation, the agencies Coupang must officially cooperate with are the National Police Agency conducting the investigation, the Public-Private Joint Investigation Team, and the Personal Information Protection Commission's investigation team. Official cooperation and communication should occur with these investigative bodies. Any suggestion that these official agencies instructed or collaborated with Coupang in its internal investigation is not true at all. I emphasize again: no government agency has ever instructed or was involved in Coupang's internal investigation.

(Chairperson Choi Min-hee) We know exactly what Coupang is trying to pull—simultaneously in the U.S. and Korea. It is even dragging the Korean government into this daring truth-or-lie game. This outrageous strategy is something we've long been aware of. The government must take a firm stance on this, and we will determine whether perjury has occurred and take legal action accordingly. Representative Kim Woo-young, please proceed with your questions.

(Rep. Kim Woo-young) Mr. Rogers, why doesn't Coupang offer Rocket Delivery or dawn delivery in the U.S.?

(Coupang CEO Harold Rogers) (Original statement) We don't have the logistics network built in the U.S. to operate with dawn delivery. We provide other services in the U.S.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The U.S. logistics network cannot support dawn delivery. We provide different services in the U.S.

(Rep. Kim Woo-young) The reason I asked is that dawn delivery means delivering when most people—neighbors, passersby—are asleep. In Korea, people generally don't touch packages delivered to someone else's doorstep. That's a form of social trust capital. Coupang leveraged that trust capital to provide the dawn delivery and Rocket Delivery service, profiting off the sacrifices of delivery workers enduring grueling labor. That means Coupang has to first and foremost exercise corporate social responsibility. Bom Kim talked about "customer-centric innovation," didn't he? Provide your answers based on that principle.

Now, let me ask this question to the NTS Commissioner. Commissioner, the NTS deployed 150 investigators from the Seoul Regional Office's Investigation Bureau 4 and the International Investigation Bureau for a special tax audit at Coupang head office and its fulfillment service centers, correct?

(NTS Commissioner Lim) Yes, that's correct.

(Rep. Kim Woo-young) This wasn't a routine audit, was it? It was a special investigation prompted by clear suspicions of offshore tax evasion or tax evasion, correct?

(NTS Commissioner Lim) Yes, that's correct.

(Rep. Kim Woo-young) So, can this be considered a special investigation into suspicions such as Coupang exploiting the non-resident system with its U.S.-based headquarters to shift income overseas—so-called offshore tax evasion? Or suspicions of internal transactions where the headquarters excessively takes profits despite the logistics subsidiary generating KRW 4.3 trillion in revenue? Or acts that disrupt market order? Is that what this investigation is about?

(NTS Commissioner Lim) Yes. We intend to conduct a thorough review of the appropriateness of all intercompany transactions involving special-related parties, both in Korea and overseas.

(Rep. Kim Woo-young) So, regarding offshore tax evasion, did you initiate this investigation based on certain leads, intelligence, or concrete evidence?

(NTS Commissioner Lim) The investigation is currently underway, and providing an answer here could interfere with the process, so I cannot give specific details. However, I understand that our investigation team will thoroughly examine every aspect.

(Rep. Kim Woo-young) Coupang's attitude toward consumers so far, and the way it responds to risks, shows the excessive, dominant influence over the market and a display of moral hazard. Given that, the suspicion of offshore tax evasion under the pretext of having its headquarters overseas must be thoroughly investigated by our National Tax Service. So, when can we expect to see the results of that investigation?

(NTS Commissioner Lim) We plan to conduct a thorough investigation, but it's difficult to predict when the results will be available. While Coupang established a corporation in the U.S. to list on the stock market there, most of its revenue—according to consolidated financial statements—is generated in Korea. This is a company built by the Korean people. We will make sure to verify whether it is fulfilling its legitimate tax obligations.

(Rep. Kim Woo-young) KFTC Chairperson, please look at this slide. In February 2025, the U.S. Chamber of Commerce sent a non-disclosed letter to the Korean National Assembly. According to that letter, "In a democracy, a government should always hold the burden to prove its case. The KFTC's proposal is especially egregious as it selectively shifts the burden against targeted companies, but not others. Such legislative efforts could also create unnecessary friction in the U.S.-Korea bilateral trade relationship."

This letter was sent right after the FTC imposed KRW 150 billion in administrative penalty against Coupang for manipulating PB rankings. Have you been briefed on this?

(KFTC Chairperson Ju) This is the first time I've seen this letter.

(Rep. Kim Woo-young) This is a letter that was addressed to the National Assembly, but it was not disclosed to the public. As you can see, it uses expressions such as “egregious,” “absurd,” and even “in a democracy,” and it warns that the proposal can cause “unnecessary friction in the U.S.-Korea bilateral trade relationship.” The U.S. Chamber of Commerce exerted this kind of pressure on the Korean National Assembly regarding the Online Platform Fairness Act and other efforts made by fair trade authorities intended to establish fair trade practices in Korea.

KFTC Chairperson, please state the government’s position regarding this absurd letter from the U.S. Chamber of Commerce.

(KFTC Chairperson Ju) What the letter is saying is not true. The Korea Fair Trade Commission is thoroughly monitoring and investigating domestic platform operators as well. We do not discriminate between domestic and overseas companies.

(Rep. Kim Woo-young) Chairperson, Coupang has 33.7 million members, correct?

(KFTC Chairperson Ju) Yes.

(Rep. Kim Woo-young) And what is its market share?

(KFTC Chairperson Ju) Based on what I’ve checked, it’s around 39%, online shopping...(Inaudible)

(Rep. Kim Woo-young) When you look at the ‘market share’ criteria alone, it would be difficult to clearly define Coupang as a market-dominant business, right?

(KFTC Chairperson Ju) The combined market share of the top three business entities is about 85%, so based on market share alone, the criteria for market dominance would be satisfied.

(Rep. Kim Woo-young) But there are also additional examination criteria. Such criteria not only consider market share, but also the existence and degree of entry barriers, the relative size of competitors, the possibility of collusion among competitors, the presence of substitute or adjacent markets, market foreclosure power, financial capacity, and so forth - all of these are considered comprehensively, aren’t they?

(KFTC Chairperson Ju) That’s correct.

(Rep. Kim Woo-young) Especially the lock-in effect. Coupang has 33.7 million members tied to its membership, plus the strong marketing influence of dawn delivery. This in and of itself serves as an entry barrier. So, if you consider not only market share but also these lock-in effects and entry barriers, you can sufficiently define Coupang as a market-dominant business, right?

(KFTC Chairperson Ju) Yes, we can actively apply the criteria in such a way.

(Rep. Kim Woo-young) Then, if the KFTC designates a company as a market-dominant business, what percentage of its sales revenue can be imposed as an administrative penalty when that dominant operator engages in abusive practices?

(KFTC Chairperson Ju) As far as I know, it is currently up to 6%.

(Rep. Kim Woo-young) That’s right. So, 6% of the KRW 50 trillion sales revenue would be...

(KFTC Chairperson Ju) It should be ‘relevant’ sales. Only the relevant sales.

(Rep. Kim Woo-young) Relevant sales?

(KFTC Chairperson Ju) Yes, only the sales generated through the abuse of its market-dominant position.

(Rep. Kim Woo-young) So, that means it has to be calculated separately?

(KFTC Chairperson Ju) That's correct.

(Rep. Kim Woo-young) So, the KFTC has, to some extent, taken a rather lenient view of this issue based on market share criteria alone. In this market, consumers have essentially been locked in—various mechanisms have been put in place that prevent them from escaping—while the company exercises dominant influence. Now, a business entity has an obligation to pursue technological innovation, particularly to make investment and efforts related to security technologies, as stipulated in the relevant examination criteria. Any acts of suppressing innovation constitute an abuse by a market-dominant business, correct?—share criteria alone. In this market, consumers have essentially been locked in—various mechanisms have been put in place that prevent them from escaping—while the company exercises dominant influence. Under such circumstances, the business entity has an obligation to pursue technological innovation, particularly investment and efforts related to security technologies, as stipulated in the review criteria. The inhibition of innovation constitutes an abuse by a -dominant business entity, correct?"

(KFTC Chairperson Ju) Are you referring to insufficient investment in information security?

(Rep. Kim Woo-young) That's correct. One of the criteria for assessing restriction of competition is whether the business operator engaged in acts to suppress innovation. According to that criterion, it must be examined whether the act in question hinders beneficial technology, research, development, service, or quality innovation. This means that the business has neglected its obligation to securely maintain quality. Because this conduct also violates the examination criteria, I believe the KFTC should promptly initiate an ex officio investigation into this matter for allegations of abuse involving quality degradation. Is the KFTC currently looking into this issue?

(KFTC Chairperson Ju) Yes, there are indeed cases we are currently reviewing. Going forward, we will also need to closely examine issues such as accepting excessively high advertising or promotional expenses, which have been raised recently.

(Chairperson Choi Min-hee) Rep. Kim Woo-young, earlier you mentioned the part about a legislative overreach of the U.S. Shall we ask MOFA Second Vice Minister Kim what the Ministry of Foreign Affairs has done about this?

(Rep. Kim Woo-young) Yes.

(Chairperson Choi Min-hee) Please answer. How has MOFA responded to this pressure from the U.S.? Were you even aware of it?

(MOFA Second Vice Minister Kim) No, we are seeing this for the first time as well. The Ministry of Foreign Affairs has not received any formal objections or related requests at the government-to-government level so far.

(Chairperson Choi Min-hee) This is why the government of the Republic of Korea is losing credibility. In this situation that's drawing so much public attention, how can you say you didn't know? This isn't the Yoon Suk-yeol administration, it's the Lee Jae-myung administration, isn't it? Rep. Kim Hyun-jung, please proceed with your questions.

(Rep. Kim Hyun-jung) Chairperson of the Financial Services Commission, can you respond from your seat?

(FSC Chairman Lee) Yes.

(Rep. Kim Hyun-jung) Yes? Then I'd like to reset the time.

(Chairperson Choi Min-hee) Yes, let's start over from the beginning.

(Rep. Kim Hyun-jung) First, according to the Korea Fair Trade Commission's investigation... First, regarding Coupang, if we summarize the overall situation so far: issues like late-night labor, worker deaths, and deaths from overwork have been concealed. And despite this being the fourth security incident already, investments in security and information have been far below competitors like Amazon or Alibaba. So when relevant incidents occur, they seem to have continued to resort to patchwork solutions through lobbying or government relations. Coupang Inc. has continued to reap profits in Korea while Chairman Kim Bom-suk evades responsibility. And now, in an effort to boost their stock price and prepare for class-action lawsuits, they have even gone so far as to infringe upon the investigative sovereignty of our nation — targeting Korean government agencies, the joint public-private investigation team, and investigation authorities. Moreover, beyond exploiting workers, underinvesting, and engaging in practices aimed at evading responsibility, there are also indications that they have abused their superior position to extract excessive profits from partner businesses on the platform. So, I have questions for both the Chairperson of the Financial Services Commission and the Chairperson of the Korea Fair Trade Commission regarding this matter. According to the KFTC's investigation, Coupang's average settlement period is 52.3 days. While this does not exceed the 60-day limit under the Act on Fair Transactions in Large Retail Business, it is 2.5 times longer than the industry average of 20.9 days. The problem is that Coupang delays supplier payments for over 50 days, meaning suppliers can only receive payments after that period. Coupang created a loan product for suppliers who want faster settlement. Take a look at this chart. Previously, Coupang partnered with commercial banks—shown in the second and third columns—to offer accounts receivable-backed loans and early settlement services at interest rates ranging from the mid-4% to the high-5% level. However, starting in July this year, Coupang Financial, Coupang Inc.'s second-tier subsidiary, launched a product called "Coupang Seller Growth Loan," shown in the red box. As you can see, the interest rate ranges from 8.9% to 18.9%, which is almost the same as high-interest rates charged by loan sharks. Now, the borrowers here are not ordinary consumers—they are suppliers delivering large volumes of goods. So, the loan amounts would be substantial. These suppliers could have taken loans at 4% or 5% interest, but instead, they are paying two to five times higher interest rates. Why would they do that? I cannot help but think Coupang knew that even with such absurdly high rates, suppliers would still have to take these loans. When we consider what this ultimately points to, I believe there is a very high likelihood of practices such as "tying"—offering increased supply quantities only if suppliers use these loans—or "incomplete sales," in which new suppliers are not informed of lower-interest loan options and are instead steered toward Coupang Financial's higher-interest product. Therefore, FSC Chairman Lee, I believe a comprehensive investigation into the Coupang Seller Growth Loan is necessary. We need to determine whether these high interest rates are appropriate and whether there were any illegal sales practices. Will you conduct such an investigation?

(FSC Chairman Lee) Yes. The Financial Supervisory Service is currently conducting an on-site inspection of Coupang Financial. As you mentioned, we are reviewing everything—whether the loan interest rates are appropriate, whether the repayment methods are proper, and whether the loan advertisements are appropriate.

(Rep. Kim Hyun-jung) Understood. And Chairperson of the Korea Fair Trade Commission, regarding the tying practice mentioned earlier—

(KFTC Chairperson Ju) Yes.

(Rep. Kim Hyun-jung) For example, if the alleged practice is indeed found to truly exist, this would appear to constitute a violation of Article 45 of the Fair Trade Act, which prohibits unfair trade practices, specifically abusing a superior bargaining position in transactions with counterparties. Accordingly, I believe the KFTC should also initiate an investigation into this matter. Will you do so?

(KFTC Chairperson Ju) Yes, we will review it thoroughly.

(Rep. Kim Hyun-jung) Yes. And I have another question for the Chairperson of the Financial Services Commission. Currently, the FSC, I mean the FSS is inspecting Coupang Pay, correct?

(FSC Chairman Lee) Yes.

(Rep. Kim Hyun-jung) This case concerns Coupang Financial. To tell you my conclusion up front, there is a risk of secondary damage. To prevent that, the FSS should investigate not only Coupang Pay but also Coupang headquarters to determine whether any financial security incident has occurred. Why? Because Coupang claims that its financial network and payment information have not been compromised whatsoever. But that is a blatant lie. Here's why: Coupang and Coupang Pay operate under a single ID system. When users sign up for Coupang, they are automatically registered for Coupang Pay as well. Users cannot sign up for Coupang Pay separately. The company uses a one-ID policy. Therefore, if names, phone numbers, or IDs are leaked from Coupang, then Coupang Pay members' information would have been also leaked. Coupang Pay is an electronic financial business entity, isn't it? Therefore, claiming that financial information was not compromised is simply false. Under Article 2 of the Electronic Financial Transactions Act, the scope of "means of access" includes user number. Means of access. That user number is the user ID. If this means of access is leaked, Article 21-5 requires immediate reporting to the FSC and the FSS. But Coupang did not take such measures, neither did Coupang Pay, as they are separate companies. I believe this is a clear violation of the Electronic Financial Transactions Act. You may recall that when I previously raised this issue with the Governor of the Financial Supervisory Service, the FSS indicated that it shared this assessment and stated that the matter would be addressed during an onsite inspection. The problem here, however, is that it would not be sufficient to audit only the servers of Coupang Pay. IDs and even passwords stored at Coupang have been, I mean there is a possibility that such information could have been leaked. Passwords can be combined and inferred. So the FSS recently raised its consumer alert level from "caution" to "warning" in response to the growing number of secondary harms such as voice phishing and smishing. This risk is real. Since Coupang Pay's servers and data are linked to Coupang's headquarters, the FSS must audit Coupang's servers as well. I strongly urge the Chairperson of the Financial Services Commission to convey this to the FSS.

(FSC Chairman Lee) Yes, in response to your remarks, we have coordinated with the Ministry of Science and ICT so that we can review not only Coupang Pay but also Coupang's headquarters.

Starting on the 26th, the FSC has joined the joint public-private investigation team for Coupang. Since we are part of the investigation team, I believe we will be able to examine the matter in greater detail, as you suggested.

(Rep. Kim Hyun-jung) And one more thing—we requested data from Coupang Pay. Specifically, we asked for the number of account cancellations during the week following the data leak notification on November 29. The response we received was that it was impossible because they do not have the functionality to extract such data. They claimed they cannot get that information. They have that data for Coupang but not for Coupang Pay. But from a common-sense perspective, isn't it hard to understand that they do not track the status of Coupang Pay users? For that reason, I believe this, too, raises a strong possibility of a violation of the Electronic Financial Transactions Act. Article 22 of the Act requires electronic financial transaction information to be retained for a certain period, up to five years. It has been confirmed that Coupang Pay is not retaining this data. The key point here is that it's not just about storing data somewhere—it must be maintained in a way that allows tracking, searching, verification, and modification. Yet, the company responded that they are not doing this. If these records are not properly managed, it means they cannot respond immediately to hacking incidents or errors.

Consequently, preventing secondary damage (Mic off) will inevitably be delayed. For this reason, I ask that you, Mr. Chairman, request that the Financial Supervisory Service conduct an audit into this matter as well, with respect to the potential violation of Article 25 of the Electronic Financial Transactions Act.

(FSC Chairman Lee) Yes, as you mentioned, there is a legal obligation to retain electronic financial transaction records for five years. We are currently conducting an on-site investigation, so we will conduct a thorough examination as to the matters including a possible breach of this retention obligation you have pointed out.

(Chairperson Choi Min-hee) Yes, Representative Noh Jong-myun, please proceed with your questions.

(Rep. Noh Jong-myun) Could you prepare the PowerPoint slides with the Signal chat content? Is it 10 minutes?

(Chairperson Choi Min-hee) Yes, 10 minutes. Please start again from the beginning.

(Rep. Noh Jong-myun) Will there be additional questioning?

(Chairperson Choi Min-hee) As discussed...

(Rep. Noh Jong-myun) Will you decide after?

(Chairperson Choi Min-hee) But we have another hearing tomorrow.

(Rep. Noh Jong-myun) I'd like to ask a question to Mr. Rogers. Is the PPT up now? Mr. Rogers, during the previous Q&A session, you raised doubts about the authenticity of the Signal messenger conversation reported by SBS on December 17. Has Coupang been unable to verify the authenticity of this report for nearly two weeks since it aired?

(Coupang CEO Harold Rogers) (Original statement) We weren't provided these documents. We requested them and we were not provided them. We haven't been able to authenticate them. And my understanding is the National Assembly has not been able to authenticate them, either.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We did not submit these documents. We did not verify their authenticity. And as far as I know, the National Assembly has not verified the authenticity, either.

(Rep. Noh Jong-myun) This report is highly damaging to Coupang, so Coupang should have verified its authenticity. Why didn't you? Do you have any intention of filing a lawsuit against SBS?

(Coupang CEO Harold Rogers) (Original statement) I don't know. We haven't discussed that at this point.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don't know. We have not discussed that matter at this point.

(Rep. Noh Jong-myun) Look, the National Assembly naturally verifies facts before raising questions, and the media also naturally verifies them before reporting. Just what kind of regard do you have for the National Assembly and the press of this country that you assume we would question or report without even checking the truth? These materials were officially submitted to the National Assembly. Are you saying you truly don't know their source? Isn't this just a counter-question intended to stall and avoid answering?

(Coupang CEO Harold Rogers) (Original statement) No. We have not been provided this document, and it did not come from the company.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) No. We have not been provided with this document, and our company has not provided it either.

(Rep. Noh Jong-myun) Of course, it was not provided by the company. It's a record of Kim Bom-suk's messenger conversation, and only Kim Bom-suk and the other party in that conversation would know the details. Are you saying you couldn't even make such a basic judgment? The other party who had a conversation with Kim Bom-suk provided it. Of course, we verified its authenticity—whether that person fabricated it or not, at which level it was submitted to the official authorities, and whether it has been prepared. Do you think that we would raise these questions without even checking such basic facts? At the very least, you should have asked Chairman Kim Bom-suk whether it was really him who had this conversation before raising such doubts before the National Assembly. Did you go through that process?

(Coupang CEO Harold Rogers) (Original statement) Sorry. Are you saying that you authenticated the document? I may be... It may be a mistranslation issue. Are you saying you authenticated the document? My understanding is that it has not been.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) Sorry. Did you say that you have confirmed authenticity? I'm not sure if the interpretation was accurate. Are you saying that you have confirmed the authenticity? My understanding is that it's not been.

(Rep. Noh Jong-myun) Our office has confirmed its authenticity. We judged it to be a reliable material. The individual who was in litigation against your company was holding onto this material at the time in order to submit it to the court. Are you raising these questions without even knowing that much?

(Coupang CEO Harold Rogers) (Original statement) My understanding is that this was provided by an executive who was fired for workplace harassment, who has made several lawsuits against the company and lost all of them.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) My understanding is that this material was provided by an executive who was dismissed for workplace harassment and filed multiple

lawsuits against Coupang, all of which he lost.

(Rep. Noh Jong-myun) So—you know. You already knew about this. Then are you saying that this person fabricated these messenger conversations, submitted them to the court, provided them to the media, and presented them to the National Assembly? You must take responsibility for that answer.

(Coupang CEO Harold Rogers) (Original statement) What I said is we don't know. We don't know.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) What I said is that we cannot find it out.

(Rep. Noh Jong-myun) If you don't know, you should ask the person involved, Kim Bom-suk himself. That's what I keep asking. Why haven't you asked Kim Bom-suk? Is he some kind of deity? A report came out that could damage Coupang. The person who could verify it, as you said, is the one who had that conversation—the party to the lawsuit. And there's another one: your dear friend, Kim Bom-suk. You could have checked with him. You should have at least asked to see the messenger conversation at that time. How can you appear as a witness before the National Assembly without even doing that?

(Coupang CEO Harold Rogers) (Original statement) We do not believe that they are true.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) I do not believe this is true.

(Rep. Noh Jong-myun) You see, what you are talking about almost sounds like blind faith. You just blindly put faith in him, believing he could not possibly have done something like this. We're just trying to get to the truth, and we have presented counter-evidence to prove Kim Bom-suk's unfair management practices. Then, instead of asking us about its authenticity, you should be the one to verify it and either claim that it is not true or acknowledge it. You're supposed to be answering the questions, not asking them. That's enough. Let me repeat, this is about the conversation that took place after the incident in October 2020, on a messenger called Signal—a chat between Kim Bom-suk and the then-CPO. MOEL Minister?

(MOEL Minister Kim) Yes.

(Rep. Noh Jong-myun) Please look at the next PPT slide. As you may have seen from the media, the translation of the English conversation shows that, in order to make it appear that the deceased did not die from overwork, the then-CPO was saying "It was not just my opinion. It was the observation of multiple people reviewing the videos." The CCTV footage shows how hard the person worked and how many hours the person worked.

Yet Kim Bom-suk, who was the CEO of the corporation at the time, instructed them to collect evidence against this person, like bathroom breaks he took, how often he drank water, and moments he took between work to catch a break. Even when the CPO objected, Kim insisted, saying, "It does not make sense—they are hourly workers! Paid per hour, not performance." Maybe he wanted to believe that an hourly worker can't be a diligent hard worker. Maybe he wanted to fabricate that narrative, so those kinds of instructions were given.

Now, if Coupang claims that the authenticity of this is yet to be determined, as Mr. Rogers said, MOEL must investigate the facts. If this is confirmed to be valid, what kind of responsibility will the executive and the corporation bear?

(MOEL Minister Kim) It appears to constitute an obstruction of an investigation into the cause of a serious industrial accident. When a serious industrial accident occurs, the Minister of Employment and Labor has the authority to investigate its cause. If that is true, it would mean the site I am authorized to investigate has been compromised.

(Rep. Noh Jong-myun) Yes. I think Mr. Rogers questioning the authenticity of the material could be a highly calculated act, though it may sound like a casual question. This media report came out on December 17. Think about how hard Coupang worked to protect its Chairman of the Board and CEO during that time. Yet a very important media report exposing this person's disgraceful conduct was aired by SBS, a major terrestrial broadcaster in Korea, and was widely cited by other media outlets. Yet Coupang never even confirmed with Kim Bom-suk—the very person involved in this conversation—about it, nor did they conduct their own internal verification. And now they ask us, “Did you check if that’s real?” Such a... What they really think of..Korean people...

(Coupang CEO Harold Rogers) (Original statement) I didn’t say that. We checked. We were unable to authenticate. Please don’t misconstrue what I... (Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I did not say that. We checked, but we were unable to verify its authenticity.

(Rep. Noh Jong-myun) You said you didn’t check, that you don’t know. That you didn’t even ask Kim Bom-suk about it.

(Coupang CEO Harold Rogers) (Original statement) I did not say that. I said we were unable to authenticate it. We were unable to authenticate it. You can make something like this in a minute.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I said, “We were not able to verify its authenticity.”

(Rep. Noh Jong-myun) That’s why I asked—did you ask Kim Bom-suk about it? Why do you give no answer and respond off-topic whenever I ask about Kim Bom-suk? From what I see, Kim Bom-suk is like a god to Mr. Rogers. You don’t need to answer anymore, so please stop. Let’s move on. Please bring up the Serious Accident Response Manual.

What kind of company is Coupang, how to respond when problems arise—a company can prepare such thing in advance. Serious Accident Response Manual—it’s a crisis management guideline marked “confidential,” with the name “CFS” in the file name, which appears to be short for the Coupang Fulfillment Services. And I assume Coupang won’t be able to verify its authenticity either, so please just listen.

It includes statements like “win over the bereaved family when a serious accident occurs.” It also mentions “blocking contaminated information”, which might sound reasonable, but then “urge caution to prevent the bereaved families from being misled”—clearly intending to prevent them from accessing any information unfavorable to Coupang. Next page.

There’s also content related to labor unions: “monitoring union involvement and sharing updates internally”. Why do you want to monitor the involvement? These unions, referred to as external, have higher-level organizations. Their involvement isn’t interference like Coupang believes—it’s solidarity and participation which is natural for a union. Why would you want to monitor that? It even says to “track the protest details”. Next.

Regarding the media—this part is very concerning. It says to “instill in advance that we will respond strongly.” Doesn’t that sound like a threat? When a problem occurs, a company should respond accordingly, but this manual suggests something more aggressive than standard procedures. (Mic off) Especially the part about “instilling that we will respond strongly.” What do they plan to do with the information that journalists followed the families to the burial site of the deceased? Even these details are in the manual. Let’s look at one more slide. It also contains content related to the lobbying activities: “Leverage the connections. Seek cooperation from the Employment and Labor Administration. Share the matter with relevant departments. Provide explanations to congressional offices and others.” If you have the manpower and money to

spend on things like this, you should worry more about preventing the accidents in the first place. That's all I have to say.

(Chairperson Choi Min-hee) Minister of Employment and Labor, they say they are seeking cooperation from the Employment and Labor Administration. What cooperation? What do they mean by that?

(MOEL Minister Kim) I cannot say for certain at this moment, but maybe about industrial accident... As you pointed out earlier, there have been numerous fatal industrial accidents. And what I find it difficult to understand is why so many of them remain unfilled. Companies should be actively encouraging workers to file for industrial disaster benefits, but I suspect that the reason only a few filed for it might be due to the very issues we are discussing.

(Chairperson Choi Min-hee) Rep. Park Hong-bae, please proceed with your inquiry.

(Rep. Park Hong-bae) Thank you. This Coupang myth—this Coupang Republic—was built strictly upon a foundation of anti-unionism, anti-labor sentiment, and the determination to protect Kim Bom-suk. I will present the evidence for this piece by piece. I have a document here with me today. It is marked "Class 1 Confidential" at the top and is titled "Hermes (Corporate Structural Change and Spin-off)."

The purpose of this document is to explain the risks associated with the formation of a Coupang Men labor union and the risks associated with the large scale of a retail business, while seeking a decision on a corporate spin-off to minimize those risks. It appears to have been prepared by an internal task force within Coupang.

Do any of the executives present here recognize this document? Mr. Park Dae-jun, former CEO, you are familiar with this document, aren't you?

(Former CEO Park Dae-jun) No. Now, I'm afraid I am not.

(Rep. Park Hong-bae) "Hermes (Corporate Structural Change and Spin-off)". You haven't heard of it before?

(Former CEO Park Dae-jun) No. I have not... (Interrupted)

(Rep. Park Hong-bae) Are you saying there was no internal review suggesting that "the company should be split off for risk minimization because there were movements to form a Coupang Men labor union"? This document was created in December 2015. At that time, Chairman Kim Bom-suk was summoned as a witness for the National Assembly audit by the Trade, Industry, Energy, SMEs, and Startups Committee, but he did not appear, claiming he had been injured while playing basketball. Instead, it was you, Mr. Park Dae-jun who appeared before the National Assembly in his place as the former Head of the Policy Group, wasn't it?

(Former CEO Park Dae-jun) Yes, that's correct.

(Rep. Park Hong-bae) Yet you're saying you don't know about this?

(Former CEO Park Dae-jun) Yes, this...earlier...(Interrupted)

(Rep. Park Hong-bae) That could constitute perjury.

(Former CEO Park Dae-jun) Yes, I know that, Representative.

(Rep. Park Hong-bae) You reviewed it, didn't you?

(Former CEO Park Dae-jun) No. Did you say this was from 2015, Sir?

(Rep. Park Hong-bae) It's from 2015. Or was it 2016? The company split in 2018, correct?

(Former CEO Park Dae-jun) Yes.

(Rep. Park Hong-bae) Do you recall the exact year? When was it?

(Former CEO Park Dae-jun) Pardon?

(Rep. Park Hong-bae) To your knowledge, in what year was this document created?

(Former CEO Park Dae-jun) No, I wasn't able to answer because I'm not familiar with the document.

(Rep. Park Hong-bae) You reviewed it internally within the company, didn't you?

(Former CEO Park Dae-jun) I am not aware of the content, Representative.

(Rep. Park Hong-bae) Didn't you review the content about splitting the company into smaller units in case they form a Coupang Men union?

(Former CEO Park Dae-jun) At that time, I was not in a position to do so, Representative.

(Rep. Park Hong-bae) None of the executives here know what's in this document or whether it was reviewed, correct? That could constitute perjury. This document states that the greatest risk is workers forming a union. It explains the negative impact and concludes that the scope for union formation should be reduced through split-off. The reason is that because the Constitution guarantees the labor union's, the workers' rights to unite and to engage in collective bargaining, union formation cannot be directly blocked, so the recommendation is to reduce the size of the union. Isn't this a conclusion reached by Chairman Kim Bom-suk? Former CEO Park Dae-jun, tell us, wasn't this decided by Chairman Kim Bom-suk?

(Former CEO Park Dae-jun) I honestly have no knowledge of this document, Representative.

(Rep. Park Hong-bae) Another point, this is what's stated in this document: "as the company grows, the likelihood of criminal liability for the CEO increases, and there likely will be requests to appear before the National Assembly". This risk has been predicted since 2015. And for ten years, up to this very moment, appearances before the National Assembly have been avoided.

Minister, based on what you just heard alone, let me ask you: under Article 81 (1) 4 of our Labor Union Act, acts of controlling or interfering with the organization and operation of a labor union by workers are defined as unfair labor practices and subject to penalties, correct?

(MOEL Minister Kim) That's correct.

(Rep. Park Hong-bae) Based on what you just heard, does this appear to constitute an unfair labor practice or not?

(MOEL Minister Kim) To say that something is an unfair labor practice, factors such as hostility toward unions, the company's general attitude toward unions, and clear intent are important considerations. But right now the media...(Interrupted)

(Rep. Park Hong-bae) Based on this action alone, this document alone, we cannot conclude that it constitutes an unfair labor practice, is that it?

(MOEL Minister Kim) Based on this alone, we cannot determine whether to constitute an unfair labor practice...(Interrupted)

(Rep. Park Hong-bae) It's difficult to conclude based on this alone. But afterward, such unfair labor practices continued, didn't they? In 2017, the Coupang labor union was established. In October 2018, the logistics subsidiary, "Coupang Logistics Service" split out. Things were executed exactly as stated, reviewed in this report. And as you can see on the screen, Coupang has continuously engaged in labor suppression and union-busting. Numerous unfair labor practices have occurred. This is Coupang's business model—disturbing union formation, and if a union seems likely to form, they'd go so far as to split the company to keep the union from growing bigger. That's how they've kept the size of the labor union small and managed their business. Chairman Kim Bom-suk issued a written apology yesterday regarding the personal information leakage. However, in the apology, he did not mention a single thing about the responsibility for the worker accidents or nighttime work. In an interview four years ago, he described dawn delivery as an inspiring innovation—rollerblades ordered Friday night gets delivered by 7 a.m. the next day, so the parent can keep the promise to play with their child on the weekend. But that story is leaving out the people behind it. The story of how the workers, who collapsed at 9 p.m., 10 p.m., or 2 a.m. while delivering the packages and were rushed to the ER by ambulance.

Former CEO Park Dae-jun, do you know how many times ambulances drove out from Coupang's logistics centers last year to transport patients?

(Former CEO Park Dae-jun) 11... Our manual requires to immediately call 119 whenever an injury occurs...(Interrupted).

(Rep. Park Hong-bae) How many cases do you know of?

(Former CEO Park Dae-jun) As for the exact number...(Interrupted)

(Rep. Park Hong-bae) 258 cases in a year—more than 21 incidents per month. One in five of them was in critical condition, and these were not just minor pains but included fainting, chest pain, cardiac arrest, and seizures. Do you think this is just an issue of individual workers' health, or a structural problem within the company?

(Former CEO Park Dae-jun) I believe both aspects need to be carefully considered so that such problems do not occur.

(Rep. Park Hong-bae) Both aspects, you say... The 119 emergency calls occurred the most around 9 p.m., 10 p.m., and around 2 a.m. You know what kind of work is being done during those late-night delivery shifts, right? 3-phase rotation is underway—the first sorting phase starts, then early stage of the first delivery phase, and then the late stage of the second delivery phase. These are peak labor hours, when the workload is extremely intense. These accidents and severe cases were mostly concentrated during these hours. Do you really think that's a coincidence? Do you

think it's just an individual health issue? Don't you think the nighttime work structurally increases the risk?

(Former CEO Park Dae-jun) Additional improvements... (Interrupted)

(Rep. Park Hong-bae) Recently, Coupang has been releasing data continuously, and our medical teams have been analyzing the reality of nighttime work at Coupang. Workers are working more than 10 hours per day on average, with night shifts 5.5 days a week and day shifts 6 days a week. Nearly 2,500 workers work more than 60 hours per week. These numbers are not even from the union—they come from Coupang's own submissions. They're clearly in violation of the agreements reached in the 2021 Social Dialogue on Parcel Delivery Service. Do you think such harsh working conditions are sustainable?

(Former CEO Park Dae-jun) Efforts to reduce the workload should continue...(Interrupted)

(Rep. Park Hong-bae) Shouldn't working hours also be reduced?

(Former CEO Park Dae-jun) Yes, that should be considered as well...(Interrupted)

(Rep. Park Hong-bae) But now you've left, so you bear no responsibility, right? Mr. Rogers, do you agree that this harsh nighttime work, work hours, and workload should be reduced?

(Coupang CEO Harold Rogers) (Original statement) I'm not aware of any material evidence that nighttime work is more strenuous than daytime work.

(Coupang CEO Harold Rogers) (Simultaneous Interpretation) I am not aware of any evidence that says nighttime work is more strenuous than daytime work.

(Rep. Park Hong-bae) There's no one here who has spoken with Bom Kim, and Harold Rogers knows nothing about Korea. Coupang's nighttime delivery involves Fresh Bag collection, sorting tasks that other couriers don't do, multi-rotation deliveries, and tight deadlines all combined into the process. Despite creating this structure from the start and repeatedly seeing warning signals, signs that indicate possible accidents, the decision-maker who refused to change it was Kim Bom-suk. When Coupang submitted its IPO application to the U.S. Securities and Exchange Commission in 2021, it mentioned various risks. What did it say? It explained that platform workers, the workers in special types of employment, Coupang Men pose a business risk, and their employment type should be categorized differently to prevent the labor laws from applying. In California, there's a law called AB5, designed to prevent mis-categorization of workers. Under AB5, all of Coupang's Quick Flex workers would qualify as "employees."

Minister of Employment and Labor, to my knowledge, by 2026, the Ministry of Employment and Labor also plans to legislate this...(Mic off) to update the system, in which case most of the Quick Flex workers will be categorized as employees. The ministry is taking these aspects into consideration, right? Please tell us how you plan to proceed with this change.

(MOEL Minister Kim) As you mentioned, Coupang currently has this unusual employment structure, where they categorize the package delivery workers into 3 different types. Looking back, this may have stemmed from their misguided perception, how they view the labor union. For example, there are delivery workers called "Coupang Friends" who are directly employed by Coupang, and then there's another "Coupang Friends" directly employed by CLS, which was split off, and then the so-called "workers in special types of employment" known as Quick Flexers who have agency contracts. These three types of workers perform the same tasks. It will be difficult to convince the people why workers doing the exact same job are in different employment categories.

This raises serious doubts about whether there is hostility toward unions. Nevertheless, the government plans to push legislation to protect all workers. That's all I have to say.

(Chairperson Choi Min-hee) Please provide the simultaneous interpretation device to the Minister of Employment and Labor.

(MOEL Minister Kim) I already have one.

(Chairperson Choi Min-hee) I think it'd be better if you put it on. A moment ago, Mr. Rogers said he doesn't know if nighttime work is actually more burdensome than daytime work.

(MOEL Minister Kim) I heard that.

(Chairperson Choi Min-hee) Do you think that is possible? To not know that?

(MOEL Minister Kim) To me that sounds like common knowledge that any ordinary citizen would know.

(Chairperson Choi Min-hee) Rep. Son Myung-soo, please proceed with your questions.

(Rep. Son Myung-soo) Madam, before I begin the inquiry, I'd like to ask for materials...

(Chairperson Choi Min-hee) Yes. Please request submission of documents.

(Rep. Son Myung-soo) Yes, thank you. I want to request two materials. Coupang is the platform, while Coupang CLS is its delivery subsidiary. That means Coupang must pay delivery fees to Coupang CLS. I previously requested the settlement standards for Rocket Delivery freight rates that Coupang pays to Coupang CLS per delivery, as well as the annual delivery count and their delivery fees paid over the last five years. However, they have not submitted these documents. Coupang offers free delivery to customers who pay a monthly membership fee of KRW 7,890 or make a purchase of over KRW 19,800. I will further elaborate on this during the main inquiry, but Coupang has been delaying and failing to comply with various agreements that were reached at the Social Dialogue on Parcel Delivery Service while giving various reasons, so we need the data to properly examine the situation.

If Coupang is not paying the due delivery rate to Coupang CLS for each delivery, this could constitute unfair support for an affiliate under the Fair Trade Act. Therefore, verification through those documents is essential. Secondly, this is also what I will also elaborate on during the main inquiry, but Coupang operates what they call Mobile Camps nationwide. This is also closely connected to labor conditions. I requested this data as well, but they have not submitted it. Please take action to ensure the immediate submission of a list of addresses of all Coupang Mobile Camps nationwide, including whether they are officially registered as warehousing businesses.

(Chairperson Choi Min-hee) No data from Coupang side has been submitted yet.

(Rep. Son Myung-soo) Right.

(Chairperson Choi Min-hee) The documents requested in the morning.

(Rep. Son Myung-soo) So we can't do anything about it, if they don't submit the documents?

(Chairperson Choi Min-hee) Well...we... the request for a National Assembly investigation will be submitted tomorrow. And once it is submitted, it will be adopted at the earliest possible plenary session—reported first, then adopted. A National Assembly investigation carries greater authority when it comes to requests for document submission.

(Rep. Son Myung-soo) I see.

(Chairperson Choi Min-hee) So it will be handled then.

(Rep. Son Myung-soo) All right.

(Chairperson Choi Min-hee) For the time being, get the requested materials quickly.

(Rep. Son Myung-soo) Understood. Let me proceed to the main inquiry session then. I pointed out this morning how Coupang has exploited its dominant position in the market to unfairly and aggressively gain profits from sellers through predatory business practices. Now, I will move on to questioning about Coupang's false statements regarding its labor environment and working conditions. Can we see the PPT slides please?

Coupang was founded in 2010. Initially, it started out as a social commerce platform, but the business did not do well. And then, around 2014, it launched Rocket Delivery service and attracted large-scale investments, which marked the beginning of its rapid expansion. At that time, Coupang purchased 1,100 1-ton trucks and directly hired drivers—known as “Coupang Men”—essentially operating as a transport service, rather than a logistics company, with the vehicles. Then, in 2018, it applied for a courier business license for the first time but later withdrew. And during the COVID-19 pandemic, the company experienced explosive growth and applied for a license again in 2020.

At that time, Coupang issued press releases promoting its compliance with the 52-hour workweek, the direct employment, and claiming to offer the best working conditions. However, immediately after receiving the license on January 13, 2021, Coupang began hiring a large number of workers in special types of employment—just like other courier companies do—rather than directly employing them. So they lied about the working conditions. I will elaborate on this later.

After that, from 2023 to 2025, there were 25 fatal accidents in just 3 years. Please go to the next page. This is the press release issued when they were applying for a courier service license for the second time.

If Coupang's innovation is applied to the package delivery business, the industry—which has long been criticized for unreasonable working conditions—will take a major leap forward. Coupang will set a new standard for the package delivery industry with its direct employment, five-day/52-hour workweek. Through its package delivery business, Coupang aims to pursue the best customer experience while also ensuring the best working conditions for delivery workers.

However, immediately afterward, Coupang recruited a large number of workers in special types of employment and subjected them to the hellish 3-phase rotation work, resulting in many deaths.

Next. As delivery workers continued to suffer fatal accidents, the National Assembly initiated the Social Dialogue on Parcel Delivery Services, which led to a series of agreements.

The main points of the agreements were: first, package delivery workers should not be assigned to sorting work. Sorting should be done by a different group of workers because it takes a lot of time and is a major cause of long working hours. So sorting must be handled separately. Second: social insurance premiums should not be paid by the delivery workers; the company should cover them. These two were the key points of the agreement.

As you can see in the table here, CJ, Hanjin, Lotte and Logen have mostly complied with these agreements. In Coupang, however, package delivery workers are still being assigned to sorting work,

and 9,316 out of 20,000 workers are not getting paid fees for this. The other 10,000 or so workers are not assigned to sorting work. 9,316 workers were assigned but were not paid, and 2,259 workers work more than 60 hours per week. They are also not covering the social insurance premiums. Next.

Coupang has a different structure from other package delivery service providers, as I briefly explained earlier this morning. Usually, other delivery service providers operate through hub terminals and sub-terminals. From the sub-terminal, deliveries are made using 1-ton delivery trucks. The sub-terminals are also very large in scale. So they are equipped with automated systems, wheel-sorter systems. At these sub-terminals, an entire day's volume is loaded onto 1-ton delivery trucks for delivery. So, once the delivery worker loads the packages at the sub-terminal, all deliveries can be completed in one trip.

However, as I requested...requested the documents, Coupang operates so-called "mobile camps"—small, makeshift facilities found here and there in the urban area, kind of like unauthorized setups with just tents or temporary structures in places like parking lots. These mobile camps cannot handle large volumes, so delivery workers usually have to make three trips: load a small amount, deliver, return, load again, and repeat. This is the main cause of long hours and the three-round sorting, creating harsh working conditions. Next slide.

On the right... On the left, you see CJ's sub-terminal, automated and equipped with the wheel-sort system. On the right is a photo I took of a Coupang mobile camp in Giheung-gu, Yongin, in my district. It's located in a residential area, built with temporary structures, tents, where the delivery worker has to do the sorting. Next slide.

This location is near a children's park and a hospital—Gangnam Hospital is right in front of it. It's in a residential neighborhood too, and there are many complaints from the residents because trucks keep coming and going. It's right next to a children's park, raising safety concerns. Next slide.

So I looked into this further and, one mobile camp in Hong-eun-dong, Uijeongbu, is near a middle school, clearly posing a threat to children's traffic safety. The land is also registered as a farmland, which would mean it is a case of unauthorized conversion. On the right is a camp in Gangnam-gu—also an unlicensed temporary tent structure. Gangnam District Office issued a restoration order and had it taken down. There appear to be many such unregistered camps. That's why I requested the data. But Coupang has not provided it.

As you can see here—next slide, please—they are lying and operating unauthorized camps like this. Now, regarding the Daily Life Logistics Service Industry Development Act... Is the Deputy Minister from the Ministry of Land, Infrastructure and Transport here? Under Article 39 of the Living Logistics Act, the ministry has the authority to issue improvement orders, correct?

(Transportation & Logistics Director Eom) Yes, we can.

(Rep. Son Myung-soo) You're aware of that, right?

(Transportation & Logistics Director Eom) Yes, I am.

(Rep. Son Myung-soo) Based on what I explained, do you think this qualifies for an improvement order or not?

(Transportation & Logistics Director Eom) Well, first of all, we will closely examine whether there are any violations.

(Rep. Son Myung-soo) No, I'm asking about this law. If you look at this law, it includes measures for safe delivery of cargo, improvement of equipment at daily life logistics facilities, and then in the Enforcement Decree, protection and better treatment of workers, improvement of transaction structures in daily life logistics service businesses—all of that. And then, creating a safe working

environment and safety measures for daily life logistics workers. Shouldn't you issue an improvement order?

(Transportation & Logistics Director Eom) I believe it is included in the items.

(Rep. Son Myung-soo) Right?

(Transportation & Logistics Director Eom) Yes, yes.

(Rep. Son Myung-soo) So you need to investigate all these camps and issue improvement orders regarding these unfair conditions. And if they fail to comply with the improvement order, their registration can be canceled, right?

(Transportation & Logistics Director Eom) Yes, that's possible.

(Rep. Son Myung-soo) Strict enforcement of the law is necessary. Okay, next, you may step down. And now, Chairperson of the KFTC.

(KFTC Chairperson Ju) Yes.

(Rep. Son Myung-soo) This press release is the one issued at the time of the second courier license application I mentioned earlier—it looks like a violation of the Act on Labeling and Advertising. Under the Act on Labeling and Advertising, deceptive labeling or advertising refers to acts that conceal or downplay facts in a way that misleads consumers or is likely to cause consumers to misunderstand. This is based on a ruling from the Seoul District Court. And then, the press release—the one I mentioned earlier.

(KFTC Chairperson Ju) Yes.

(Rep. Son Myung-soo) There is a Supreme Court precedent stating that even when a press release is distributed in the form of a newspaper article, it constitutes advertising under the Act on Labeling and Advertising. So now, Coupang issued press releases as if they were making groundbreaking innovations and offering excellent working conditions for delivery drivers and obtained a courier license. And then, less than a year after getting the license, they hired a large number of special contract workers, making them work six or even seven days a week—no different from other regular courier services. Isn't that an outright lie? I believe it's necessary to review whether this also constitutes a violation of the Act on Labeling and Advertising and enforce the law strictly.

(KFTC Chairperson Ju) Yes, we will review it.

(Rep. Son Myung-soo) Okay, that's all.

(Chairperson Choi Min-hee) Are you writing everything down? You're recording all the points the members are raising with our government agencies, right? If you can't do it alone, work together. Rep. Lee Dong-jung, organize everything so we can check each item one by one. Chairperson Ahn Ho-young, please proceed with your questions.

(Chairperson Ahn Ho-young) Yes, before I begin my questions, I'd like to request some materials. These are related to Coupang's concealment or downplaying of industrial accidents when they occur. First, there are internal manuals on responses to industrial accidents when they occur. We need the full versions of all, including safety accident response, hospital response guidelines, and

standards for calling 119. And, there are internal guidelines regarding the means of transportation for moving injured workers to hospitals—for example, instructions to use a manager’s vehicle or a company car. Third, over the past five years, the company has paid hospital bills for injured workers, and I’ll provide details on that part. Next, regarding the internal standards and the status of industrial accidents over the past five years—I understand that Coupang has an internal accident database for CFS and CLS. That’s the part I’m referring to. Fifth, we need internal reporting and approval documents related to handling industrial accidents. I’ll provide more details on that later.

Yes, I’ll proceed with my questions. Mr. Harold Rogers, are you there? I can’t see you. All right, I’ll just ask. As an employer, I believe it is your fundamental responsibility to create an environment where workers can work safely. And when an industrial accident occurs, instead of hiding it, you should ensure immediate treatment and follow the proper industrial accident procedures. Do you agree?

(Coupang CEO Harold Rogers) (Original statement) Yes, I agree that the health and safety of our workers is of the utmost importance.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, I agree. The health and safety of workers are most important to me.

(Chairperson Ahn Ho-young) But now we’ll check whether Coupang has actually operated that way—whether it has concealed or downplayed industrial accidents. I’ll proceed to the questions, so please listen carefully and respond if necessary. First, I’ll show you a PPT. It’s a document titled “Safety Accident – Hospital Response”. Regarding this part, is Coupang’s VP of legal affairs, Lee Jae-gul, present?

(Chairperson Choi Min-hee) Shall we pause for a moment and ask him to come forward?

(Chairperson Ahn Ho-young) Yes, I’d like him to come forward over there... I suspect the CEO might not know much about this. So, you are the VP of legal affairs, right? Now, here we have the “Safety Accident – Hospital Response V9 Guide”. Do you happen to know about this?

(VP Lee Jae-gul) I’m not familiar with it.

(Chairperson Ahn Ho-young) You don’t know? Well, according to this document, when an accident occurs, it says you should first report to the manager and use the manager’s vehicle for hospital transport. And here, in case of an emergency—it defines an emergency as when the person is unconscious. According to the manual, you can only call 119 if the person is unconscious. Is this document correct? That is what it says. You don’t know?

(VP Lee Jae-gul) It seems quite different from what we actually do.

(Chairperson Ahn Ho-young) Then, is this document something you do not know?

(VP Lee Jae-gul) No, I’m not familiar with this document.

(Chairperson Ahn Ho-young) Former CEO Park Dae-jun, do you not know this document?

(Former CEO Park Dae-jun) If it’s a manual held by CFS or the logistics function, it’s true that it would be difficult for me to confirm it in person.

(Chairperson Ahn Ho-young) Ah, let's move on to the next PPT—we can check that later. Next slide. Here we have "2023_HRM_HOB_Safety Accident Occurrence Status." This shows how the guidelines actually worked on the site. In November 2022, at the Hobeop Center, there was an accident where a worker's finger was severed. At that time, the safety and health manager called 119, but afterward, the manager was reportedly required to write a statement of explanation. VP Lee Jae-gul, do you know about this incident?

(VP Lee Jae-gul) I'm not sure about that.

(Chairperson Ahn Ho-young) You're not sure? Since when have you been serving as VP of Legal Affairs?

(VP Lee Jae-gul) Since the end of 2020.

(Chairperson Ahn Ho-young) Since the end of 2020 until now. All right, let's look at the third item in the PPT. This is a recorded conversation with a former HR manager at Coupang CFS. Let's listen to the recording.

(Transcript of a recorded call between a former HR team member and a former company official)

(A former HR team member) It was the afternoon shift, so the manager wasn't on-site, so the report was made by phone. Since there was no one to drive the company car, I was told to call 119, so we did—but the next day, there was a huge uproar.

(A former company official) Right, yes. Quite familiar with the person. The one from Hobeop—I know.

(A former HR team member) So... they asked, "Why did you call 119? Why did you call 119 without reporting to me first?" So I had to write a statement of explanation.

(Chairperson Ahn Ho-young) Looking at this, Mr. Rogers, doesn't this clearly suggest an attempt to avoid leaving an industrial accident record by not calling 119 and instead using a company car? And when a serious accident occurs, is it acceptable for a manager to be reprimanded just for calling 119? Would something like this happen even in a society like the United States? Is this justifiable? Mr. Rogers, please respond.

(Coupang CEO Harold Rogers) (Original statement) I don't know. I'm unfamiliar with any of these documents. I understand that this does not follow our practices, at least our approved practices.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I'm not very familiar with this document. From what I understand, it doesn't seem to align with our actual practices—at least not with the practices we approve.

(Chairperson Ahn Ho-young) Anyway, in such a serious accident, you agree that calling 119 to ensure immediate treatment is the right thing to do, correct?

(Coupang CEO Harold Rogers) (Original statement) Yes, of course. In a serious incident, people should call 119. I believe that's what our policy instructs people to do. At least, that's my understanding.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, of course. In the case of a serious or material accident, you must call 119. And our policy instructs that as well. That's at least my understanding.

(Chairperson Ahn Ho-young) Now, looking at this, Mr. Rogers, according to the HR manager's transcript, there was such a conversation. If something like this happened, that would be wrong, wouldn't it?

(Coupang CEO Harold Rogers) (Original statement) I don't know, I'm unfamiliar with this, but I don't believe this is our approved policies.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I'm not sure. I don't know this document. However, I believe this is not a procedure we have approved.

(Chairperson Ahn Ho-young) We'll separately check this as well. Now, the fourth in the PPT—just a moment—yes, this is the "Guide for Handling Hospital Treatment Costs for Accident Victims." Is this guide for handling hospital treatment costs for accident victims, also an internal Coupang document, the VP of legal affairs?

(VP Lee Jae-gul) I'm not sure. I... (Interrupted)

(Chairperson Ahn Ho-young) You don't know? It clearly has the Coupang logo on the top right. But you don't know? Be aware that if you're lying, you could be punished for perjury.

(VP Lee Jae-gul) I'm not familiar with this document as it's not part of my responsibilities.

(Chairperson Ahn Ho-young) Here it says, "hospital treatment expenses should be processed as general" and "receipts not processed as general should be guided to change to general". Do you know what "general processing" means here?

(VP Lee Jae-gul) I'm not sure. As I understand it, we actually encourage handling them as an industrial accident.

(Chairperson Ahn Ho-young) Well, handling as an industrial accident is not being encouraged here. It says even if an industrial accident occurs, it should not be handled as such. "General processing" here means covering the full cost without any contribution from the Korea Workers' Compensation & Welfare Service. So this structure prevents processing as industrial accidents. You seem to interpret it the opposite way. If an industrial accident occurs and it's processed as general personal payment instead of as an industrial accident, then there's no official record of the accident. That means the scale and risk of industrial accidents won't be properly revealed. What do you think, Legal VP?

(VP Lee Jae-gul) I'm not sure as this is not part of my responsibilities, but as I understand it, the intent was to process them through industrial accident insurance, not health insurance.

(Chairperson Ahn Ho-young) Now, Former CEO Park Dae-jun. Do you know the details of this hospital treatment cost processing guide?

(Former CEO Park Dae-jun) I'm not familiar with that document, but as far as I know, the policy direction is to handle such cases as industrial accidents as a rule. I don't recall any standard that blocks industrial accident processing or forces general processing. If this happened, something seems wrong.

(Chairperson Ahn Ho-young) Anyway, the document and your statements don't match. So we obtained a labor attorney's opinion on this. Let's look at the PPT. For work-related accidents, they

should be processed under industrial accident insurance, not general. If the company induces general processing despite the fact that an accident is clearly related to work, it may fall under Articles 57 and 170 of the Occupational Safety and Health Act. Next slide, please. This is three years of accident data. It's an internal industrial accident database managed by Coupang CFS from 2020 to 2021. CEO Rogers, are you aware that the company has such a database?

(Coupang CEO Harold Rogers) (Original statement) I don't recognize this. I don't know what's on them. I don't know.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don't know what this is. I'm not aware of it.

(Chairperson Ahn Ho-young) You don't know? Alright. Here it says that over two years, there were a total of 710 LTI-level accidents. LTI-level refers to serious accidents like amputations or entrapments that prevent work for more than a day. Is that correct, VP Lee?

(VP Lee Jae-gul) This is not part of my responsibilities, so I'm not sure.

(Chairperson Ahn Ho-young) You don't know? Witness Park Dae-jun, is this correct?

(Former CEO Park Dae-jun) I'm not sure about the numbers. I think it would be better to check with CFS or CLS.

(Chairperson Ahn Ho-young) Alright. But when accidents of this severity occur, calling 119 and sending the person to the hospital by ambulance seems like common sense. However, the data shows that out of 710 cases, only 359 were transported by ambulance, and the remaining 351 were not. In those cases, it appears many were transported using the company's or manager's vehicles. This likely means the accidents were not officially processed as industrial accidents. Minister Kim?

(MOEL Minister Kim) Yes.

(Chairperson Ahn Ho-young) In this way – since you've been following, you have likely seen it for yourself – if processing as an industrial accident is concealed this way, isn't that a violation of the Occupational Safety and Health Act?

(MOEL Minister Kim) It appears there's much room for a violation.

(Chairperson Ahn Ho-young) And as I said earlier, there were 710 serious accidents, and possibly more unreported cases. To uncover the truth, a special labor inspection by the Ministry of Employment and Labor is necessary. (Mic off) (Statement after mic off) I think that is necessary. What are your thoughts?

(MOEL Minister Kim) Yes, it's absolutely necessary. We will conduct a full investigation involving the Korea Workers' Compensation & Welfare Service, 119, and the National Health Insurance Service. Also, although Coupang claims that it encourages its employees to file industrial accident claims, recent reports show that Coupang even filed administrative lawsuits to overturn approved claims for unclear reasons. That makes their statement highly questionable. That's it.

(Chairperson Ahn Ho-young) We request that the Ministry of Employment and Labor conduct a thorough investigation and take appropriate action on this matter.

(MOEL Minister Kim) We will take strict action.

(Chairperson Choi Min-hee) Rep. Yeom Tae-young, please proceed with your questions.

(Rep. Yeom Tae-young) Yes, Director of Transportation & Logistics at the Ministry of Land, Infrastructure and Transport. Director Eom, you're here, right? Since the Minister isn't present today, you're representing him. The Daily Logistics Act, which was amended this December and will take effect in June next year, under this law, the Minister of Land, Infrastructure and Transport can issue improvement orders or recommendations requiring parcel service providers to establish safety measures to provide safe work environment for daily logistics service workers, protect their rights and interests, and improve their treatment, correct?

(Transportation & Logistics Director Eom) Yes, that's correct.

(Rep. Yeom Tae-young) Yes. And one more thing—with respect to the matters specified by Presidential Decree, the Minister can also issue improvement orders to protect consumers' personal information and enhance their rights, correct?

(Transportation & Logistics Director Eom) Yes, that's correct.

(Rep. Yeom Tae-young) And, on top of that, if a standard contract is not used or an improvement order is not implemented without just cause, registration can be canceled, correct?

(Transportation & Logistics Director Eom) Yes, that's correct.

(Rep. Yeom Tae-young) So please actively review whether failure to implement the standard contract introduced last year, or failure to comply with improvement orders—such as the absence of the chairman today—could constitute grounds for canceling registration.

(Transportation & Logistics Director Eom) Yes, understood.

(Rep. Yeom Tae-young) Ignoring and mocking the public, exposing their safety and personal information without accountability, and allowing a chairman who doesn't even appear to make all decisions—this structure must be changed. Coupang CLS announced improvement measures in August and September last year. If you look at this slide, the union has identified 30 deaths so far, while another witness mentioned 34 earlier today. Coupang CLS announced some measures in August and September last year. However, even after that, several workers died in November. Director?

(Transportation & Logistics Director Eom) Yes.

(Rep. Yeom Tae-young) Do you think the measures Coupang announced last year can truly protect workers' lives? In the end?

(Transportation & Logistics Director Eom) They can't guarantee 100%, but I believe there was some improvement.

(Rep. Yeom Tae-young) Yet overwork-related deaths occurred, didn't they?

(Transportation & Logistics Director Eom) Yes.

(Rep. Yeom Tae-young) So I'm wondering if these measures can be considered effective.

(Transportation & Logistics Director Eom) Well, Coupang made internal system improvements, and we amended the Daily Logistics Act this year through discussions at the National Assembly. I understand that additional measures for system improvement are being developed through ongoing social dialogue.

(Rep. Yeom Tae-young) Because of such half-measures, a company like Coupang is brazenly mocking the public, isn't it? Shouldn't there be some reflection?

(Transportation & Logistics Director Eom) Um, yes.

(Rep. Yeom Tae-young) The public outrage is enormous. Doesn't the Ministry of Land, Infrastructure and Transport bear responsibility for allowing this? That's what I'm talking about. Now, if you look at this data, it shows the number of industrial accident claims and approvals for Coupang CFS and CLS. This doesn't even include delivery workers that contracted with agencies. In 2024, Coupang CFS had 601 approved cases, and CLS had 410. That's more than one approved industrial accident per day. Accidents occur daily and are increasing. Without drastic measures, safety can never be guaranteed, can't it? What do you think?

(Transportation & Logistics Director Eom) For industrial accidents that continue to occur, I believe continuous monitoring and system improvements are required.

(Rep. Yeom Tae-young) Not just system improvements—last year, measures were introduced to drastically reduce industrial accidents, but accidents haven't decreased and continue to occur. So I'm asking whether there are any effective measures underway. If not, we need to ask them to establish dramatic measures, and if that still doesn't work, registration should be canceled to protect lives. Don't you think so?

(Transportation & Logistics Director Eom) So, from that perspective, I understand that social dialogue is currently underway.

(Rep. Yeom Tae-young) In August and September last year, Coupang promised to improve the cleansing clause, expand health checkups, and directly employ 100% of sorting personnel. After the news article on the plan for direct employment of sorting personnel was published on August 11, 2024, we could not find any articles about its implementation. Is there a Coupang PR executive here? Yes, please come forward for a moment. Was there any case where you promoted the implementation of safety measures in September 2024 through the media?

(VP Lee Young-mok) I don't recall clearly because it involves an affiliate, but as far as I remember, there wasn't any. I will check again.

(Rep. Yeom Tae-young) We haven't seen any promotional material. If you thought you did well, wouldn't you have released extensive promotional materials? If you believed the safety measures were well made, you would have promoted the results afterward. I think you haven't achieved satisfactory results yourself, considering the continued high number of industrial accident applications and approvals. What do you think?

(VP Lee Young-mok) I will check this again. Since it concerns an affiliate, I am not clearly aware of it at the moment.

(Rep. Yeom Tae-young) Oh, Director Eom, has the Ministry of Land, Infrastructure and Transport ever received such implementation results?

(Transportation & Logistics Director Eom) As far as I remember, we haven't received them. I will check.

(Rep. Yeom Tae-young) There was none. So, in reality, although improvements were promised, there has been no report of any actual improvements. We also requested implementation results for the plan as the materials for this hearing, but we were unable to obtain them. Since the announcement in September 2024, not a single article has stated that things are going well even after a year. The safety measures that workers want start at the level of social consensus. So, as I mentioned earlier this morning, excluding sorting work, complying with the 60-hour workweek, and fulfilling commitments such as bearing social insurance costs all begin with keeping these promises. Because workers should no longer lose their lives, from this perspective, the Ministry of Land, Infrastructure and Transport must thoroughly evaluate and inspect Coupang's safety management measures, and if they fail, decisively take action for disregarding our citizens. What do you think?

(Transportation & Logistics Director Eom) Yes, I agree.

(Rep. Yeom Tae-young) It has been over a year since Coupang CLS announced its improvement measures. Please make sure the Ministry of Land, Infrastructure and Transport takes action. Please verify the quantitative implementation results of the original improvement measures.

(Transportation & Logistics Director Eom) Yes, understood.

(Rep. Yeom Tae-young) In particular, please check the direct employment of sorting personnel, as well as whether the service level evaluation system following the abolition of the cleansing clause is not causing cleansing. Director?

(Transportation & Logistics Director Eom) Yes, yes.

(Rep. Yeom Tae-young) If these measures are insufficient, the Ministry of Land, Infrastructure and Transport will naturally issue an improvement order, correct?

(Transportation & Logistics Director Eom) We will examine it closely.

(Rep. Yeom Tae-young) That's what the law says now.

(Transportation & Logistics Director Eom) The items include, well, the workers... (Interrupted)

(Rep. Yeom Tae-young) And the President has repeatedly emphasized that the Ministry must respond proactively and with strong determination as the competent authority for the parcel delivery service industry if worker safety is not firmly guaranteed, hasn't he?

(Transportation & Logistics Director Eom) Yes, I know.

(Rep. Yeom Tae-young) Then shouldn't you take proactive action on that? Is the Coupang CISO, the head of security, present here?

Yes, the recently leaked Coupang headquarters database contains key delivery information such as shared entrance passwords and addresses of third-party gift recipients. I suspect that Coupang headquarters' order database and the delivery system of its subsidiary, Coupang CLS, are practically

linked in real time. What I'm saying is, if the headquarters database has been breached, can we really guarantee the data integrity of the CLS delivery-exclusive app or the data being transmitted to the drivers' devices, which operate based on that information? What do you think?

(Coupang CISO Brett Matthes) (Original statement) This incident took place externally against the Coupang website. None of those details were touched. The information taken externally (inaudible) they're unrelated systems.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) This incident broadly involved the Coupang website, but there was no access to such data. Ah, the systems you mentioned are not related to each other.

(Rep. Yeom Tae-young) I see. Well, it's likely that this leak will be explained as a headquarters issue unrelated to CLS. Director from the Ministry of Land, Infrastructure and Transport, under the revised law, one of the items for which you can issue an improvement order includes protection of consumers' personal information and enhancement of their rights, correct? Director Eom?

(Transportation & Logistics Director Eom) Yes, that's correct.

(Rep. Yeom Tae-young) If shared entrance passwords and gift recipient addresses were also exposed as part of this Coupang headquarters database leak, wouldn't this be considered a serious matter that goes beyond a simple online data leak and could lead to home intrusion or offline crimes?

(Transportation & Logistics Director Eom) Yes, that's correct.

(Rep. Yeom Tae-young) Shouldn't there be a thorough investigation into how these compromised data are being managed during the process where Coupang CLS receives information from headquarters to carry out deliveries?

(Transportation & Logistics Director Eom) So, as far as I know, such information is currently being reviewed by relevant authorities such as the Personal Information Protection Commission, and if any violations are confirmed, we will take measures such as issuing improvement orders in accordance with applicable laws and regulations.

(Rep. Yeom Tae-young) Yes. Are you willing to use the Ministry of Land, Infrastructure and Transport's authority to issue improvement orders to conduct a full inspection of Coupang CLS's customer information management system and instruct them to prepare countermeasures?

(Transportation & Logistics Director Eom) If any violations are found, we are willing to do so.

(Rep. Yeom Tae-young) Yes. Worker safety measures and consumer data protection—for Coupang CLS to operate normally as a parcel delivery company, the Ministry of Land, Infrastructure and Transport must issue strict improvement orders on these two matters, and if they still don't work, proceed with registration cancellation... (Mic off)
(Statement after mic off) I strongly urge that these measures be taken.

(Transportation & Logistics Director Eom) Yes, understood.

(Rep. Yeom Tae-young) (Mic off)
(Statement after mic off) That's all.

(Chairperson Choi Min-hee) While observing today's hearing, the Director of the National Intelligence Service conveyed that the NIS plans to request the National Assembly Standing Committee on Science, ICT, Broadcasting, and Communications to file a complaint against Harold Rogers, CEO of Coupang for perjury, and has provided the specific details of the alleged perjury. I will relay this to the committee secretary to have this processed when the hearing ends tomorrow. Director Eom, do you know any of the Coupang vice presidents seated in the back?

(Transportation & Logistics Director Eom) No, I don't.

(Chairperson Choi Min-hee) Is there anyone you recognize?

(Transportation & Logistics Director Eom) I don't know anyone.

(Chairperson Choi Min-hee) You don't?

(Transportation & Logistics Director Eom) No.

(Chairperson Choi Min-hee) Rep. Oh Gi-hyoung, please proceed with your questions.

(Rep. Oh Gi-hyoung) Well, VP Lee Jae-gul, please come forward briefly for a simple question before I question the CISO. It's a simple one. Regarding the coupons offered as a compensation plan, the KRW 50,000 coupon package. When using those coupons, is there any kind of nonlitigation agreement attached to them? For example, does using the coupon mean that all damages are considered settled and that no civil or criminal objections can be raised in the future? Is such wording included in any terms or provisions related to coupon use, or not? Do you know or not?

(VP Lee Jae-gul) As far as I know, such content has not been discussed yet.

(Rep. Oh Gi-hyoung) Ah, so there's absolutely nothing like that, right? If there is, please check and let us know tonight or tomorrow.

(VP Lee Jae-gul) Understood.

(Rep. Oh Gi-hyoung) Okay, I'll move on. Next, I'll question the CISO. This is something we left off in the morning. The question I asked earlier was about the master key leaked—you acknowledged that the master key had been indeed leaked, correct? Regarding that master key and the AWS vault, you said earlier that you conducted regular penetration testing or management on an ongoing basis, right? That is what you stated in your response this morning, correct?

(Coupang CISO Brett Matthes) (Original statement) We have a comprehensive vulnerability management system that we run against all Coupang services. But one clarification I would like to make is that the key was stolen, not leaked.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) We have a comprehensive vulnerability management system in place, and through that, we review all Coupang services. If there is something to clarify, the key was stolen, not leaked.

(Rep. Oh Gi-hyoung) Now, setting aside the difference between leaked and stolen, doesn't the fact that it was taken indicate that the security system was vulnerable? If the security system had been properly managed on a regular basis, wouldn't such a leak have been impossible, if it were being properly managed? What's your view on that?

(Coupang CISO Brett Matthes) (Original statement) With respect, sir, the ex-employee who stole the key, had authorized access to the key when he stole it. ...We will of course - after learning our lessons from this incident - create a new system where our employees do not have access to the signing keys.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) With all due respect, the key was stolen by a former employee, and that employee had authorized access to the key at the time. We have learned lessons from this incident and are trying to create a new system to prevent employees from being able to steal signing keys.

(Rep. Oh Gi-hyoung) How long did it take, from the time it was stolen and then to the time it was actually confirmed later? What was the time gap, the time difference?

(Coupang CISO Brett Matthes) (Original statement) We believe he stole the key before leaving Coupang at the end of 2024. And we became aware (inaudible) in November and that's when we revoked the key.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) The employee stole the key before leaving Coupang in April 2022, and Coupang became aware of this key theft in November.

(Rep. Oh Gi-hyoung) So when exactly? The point of stealing, the point when it is believed to have been stolen, and then there is the point when you recognized it, which was in November, right? I am asking you to specify the exact date in November.

(Coupang CISO Brett Matthes) (Original Statement) One second. We became aware that the signing key has been used in an unauthorized manner very late on November 18th and we revoked the key before 1 a.m. November 19th.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I learned late on November 18 that the signing key had been used in an unauthorized manner and revoked the key before 1 a.m. on November 19.

(Rep. Oh Gi-hyoung) Okay, then, when was the actual stealing?

(Coupang CISO Brett Matthes) (Original Statement) I do not know the exact date the key was stolen. But I believe it to be very late at the end of 2024 before the ex-employee left our company.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I don't know the exact date. I believe it was late 2024, before the employee left the company.

(Rep. Oh Gi-hyoung) So it took about a year, right?

(Coupang CISO Brett Matthes) (Original statement) Approximately.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Approximately, yes.

(Rep. Oh Gi-hyoung) So, you are telling me that it was compromised for a year, and during that time, Coupang's security expert had no idea what was happening? Is that your answer?

(Coupang CISO Brett Matthes) (Original statement) Until we were aware of the data breach, we were not aware of the key being stolen. It was regrettable that there was a delay in us knowing. This is a case like most cyber security incidents including many that have been inflicted on the Korean people.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) We did not know the key had been stolen until we became aware of the data issue. Unfortunately, we learned about it later, but that is

how most cybersecurity incidents typically unfold.

(Rep. Oh Gi-hyoung) So, Coupang is inevitably being criticized for having a security system that is so far below global standards that it didn't even detect such vulnerabilities. In that situation, can you still claim that your system is being managed in accordance with global standards?

(Coupang CISO Brett Matthes) (Original statement) Yes. I can claim that we are on par with the global standards. This key was stolen by an ex-employee who had authorized access, and we didn't know that he had it until we became aware that he used it, and we immediately revoked it.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Yes, I can say that. We believe we meet the global standards. The key was stolen by a former employee who had the authorization to the key. We didn't know the key had been stolen until we became aware, but once we did, we immediately revoked the key.

(Rep. Oh Gi-hyoung) Okay, you revoked it the day after you became aware, but for an entire year, you had no idea. The whole world and the Korean people are all watching this. This is where Coupang stands. Then, if you claim that you had been conducting internal penetration tests and other regular inspections to prevent such incidents in advance, when will you provide the materials supporting that?

(Coupang CISO Brett Matthes) (Original statement) I will get you the data as soon as I can on our vulnerability management system.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I will submit the data on our vulnerability management system as soon as possible.

(Rep. Oh Gi-hyoung) It would be best if you could provide it within today. If not, we will continue to raise this issue and question you on it going forward.

(Coupang CISO Brett Matthes) (Original statement) I will do it as quickly as I can.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I will do it as quickly as possible.

(Rep. Oh Gi-hyoung) Okay, please step down now. Professor Kim Seung-joo, could you please come forward for a moment to provide an explanation and evaluation? You're here as a reference witness, so I'd like to hear from you briefly. Professor, based on the answers we have heard so far from the Coupang CISO, do you believe Coupang has been managing its systems properly and normally? Or, from a technical expert's perspective, do you believe there are certain level of management steps that should have been taken but were not addressed in his responses?

(Professor Kim) First of all, it appears that they do not meet global standards. The reason is that they keep using the word, "steal." They are saying the master key was stolen and taken out. Earlier, Coupang mentioned that they use something called HashiCorp Vault. But using HashiCorp Vault alone is not sufficient. It must be integrated with a Key Management System (KMS) or a Hardware Security Module (HSM). When these are used together, protective controls are in place that prevent the key from being stolen or taken out. The fact that this did not happen suggests that there was an issue in integrating a KMS or HSM, or that they were simply not used. Either way, both scenarios fail to meet global standards.

(Rep. Oh Gi-hyoung) Thank you. Then could the CISO please come forward again for a moment? How would you respond to this question, this point? KMS and HSM should have been integrated, but you didn't use them, correct?

(Coupang CISO Brett Matthes) (Original statement) Post this incident, we are migrating to use KMS. It is not an industry standard everywhere to use that. But this is a painful lesson learned...(Interrupted)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) In this situation, we are in the process of migrating to KMS...(Interrupted)

(Rep. Oh Gi-hyoung) So you're saying you didn't use that system, right?

(Coupang CISO Brett Matthes) (Original statement) Correct. I am stating that we have been using HashiCorp Vault to manage the key. It was a limited number of people who had access to the key. This was a security control we had in place, and it was abused, and we will be replacing it with a stronger security control.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Yes, that's correct. We managed keys using HashiCorp Vault. Access to those keys was limited to a small number of people. We had such security controls in place, but since this was abused, we will implement a stronger security management system.

(Rep. Oh Gi-hyoung) That's enough. The fact that you didn't do that and still claim compliance with global standards seems unreasonable, which is why I'm pointing it out. This means that, your security system does not meet global standards, and therefore the company bears responsibility — whether intentional or negligent. You failed to make timely efforts to rectify this before the incident, and these excuses are only surfacing now after the incident... I'll stop here. You may step down. Next.

(Coupang CISO Brett Matthes) (Original statement) With respect, I'll look forward to the findings of the JIT, PIPC, and the... our (inaudible) global security experts and I will be applying stronger standards learning from this incident.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I will review the results of JIT and apply stronger standards, taking this incident as a lesson.

(Rep. Oh Gi-hyoung) Okay, that's enough. Next, I have a question for CEO Rogers. There's a discrepancy in claims: Coupang says only about 3,000 customer records were leaked externally, were released to the outside and then retrieved, while the Korean government believes around 33 million records were leaked outside, and it says it will investigate relevant matters accordingly. If the government's position is correct, this would be a material incident and a material accident—a very serious case. What is your view?

(Coupang CEO Harold Rogers) (Original statement) Respectfully, I disagree with what you said. We've said multiple times that 33 million customer accounts were leaked. We now know from the current investigation that 3,000 were saved, and then the threat actor deleted everything.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) With all due respect, I disagree with what you said. As I've stated several times, 33 million customer accounts were leaked, but our current investigation shows that only about 3,000 records were stored, and the suspect deleted all the information.

(Rep. Oh Gi-hyoung) No, no, hold on.

(Coupang CEO Harold Rogers) (Original statement) As far as materiality, I don't know which standard you're referring to (Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) As for materiality, I'm not sure what criteria would apply.

(Rep. Oh Gi-hyoung) Right now, we're talking about two different focal points. If those 3,000 records were never leaked to a third party, then I don't think this qualifies as a material breach. But if the Korean government's claim that 33 million records were leaked is true, and if, among those 33 million items, a large amount of information, such as personal information and various keys, actually went outside, then, assuming that claim is correct, wouldn't this constitute a material incident? Whether that claim is true needs to be verified separately. But if it is true, then this would be a critical, material incident, wouldn't it?

(Coupang CEO Harold Rogers) (Original statement) What materiality standard are you talking about? Do you mean U.S. law? Under U.S. law, this would not be, the leak itself would not be material, because of the sensitivity of the data. It was just name, email, address, phone number, and limited order history.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) What standard of materiality are you referring to? Under the U.S. law? According to the U.S. standards, the leak itself is not considered material because of the sensitivity of the data involved. It only included names, email addresses, and (audio overlap) limited order history.

(Rep. Oh Gi-hyoung) There are claims that email addresses and even entry codes for apartment complexes where Coupang customers live might have been leaked. That will be confirmed later through a joint public-private investigation. But if that turns out to be true, wouldn't that qualify as a material breach? Yet you, as Coupang's CEO, are claiming it is not a material breach. Is that correct? So even if 33 million records were leaked, you're saying it's still not a material breach? Please confirm.

(Coupang CEO Harold Rogers) (Original statement) Under U.S. law, just the fact of that leak wouldn't be material. I don't think anyone has said that the 33 million went beyond the threat actor, out broadly to third parties. All the evidence indicates that the data remained with the threat actor.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Under U.S. law, the leak alone is not considered material. As for the 33 million records, I don't actually believe such information was leaked to a third party.

(Rep. Oh Gi-hyoung) We're not talking about facts right now; we're talking about whether this kind of issue is extremely important from the perspective of someone managing a company. It affects the company's reputation and valuation—these are critical factors. That is my understanding, and that seems like common sense, but CEO Rogers keeps saying otherwise. If the claim that 33 million records were leaked is true—if not, then it may be a different story—wouldn't this be a material incident?

(Coupang CEO Harold Rogers) (Original statement) We believe it's serious. The question that you're asking I'm understanding is under U.S. law. Under U.S. law, just a leak of that type of information is not viewed as a material incident. Under U.S. law.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do consider this important. However, under U.S. law, even if this type of information was leaked, it would not be classified as a material incident. That's how U.S. law defines it.

(Rep. Oh Gi-hyoung) (Mic off)

(Statement after mic off) I will continue afterward.

(Chairperson Choi Min-hee) This is Korea. And this is a repeat of what Rep. Lee Jun-seok asked earlier. Mr. Lee asked whether it was possible that, aside from the only 3,000 items stored, 33

million items might actually have been stored on some other server, and he didn't give a clear answer. That's the situation. Rep. Jung Hye-kyung, please proceed with your questions.

(Rep. Jung Hye-kyung) I'm Jung Hye-kyung, a non-regular-worker-turned-lawmaker from the Progressive Party. I have a question for Witness Rogers. When industrial accidents occur at Coupang and the media reports on them, Coupang often responds by filing lawsuits to silence the press. This has been discussed extensively in our Environment and Labor Committee hearings. Coupang tends to resolve everything through litigation because there are lots of legal loophole exploiters. Now, regarding the social media message from Chairman Kim Bom-suk about Jang Deok-jun, this clearly shows an attempt to manipulate or conceal the fact that Mr. Jung Seul-gi, no, Mr. Jang Deok-jun died from an industrial accident. If that claim were false, I believe you should have immediately filed a lawsuit. Why didn't you?

(Coupang CEO Harold Rogers) (Original statement) The relevant government agency, with our cooperation, found that it was a workplace accident, for which we have apologized and feel deeply remorseful.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The relevant government agency, based on our cooperation, determined that this was an industrial accident, and we expressed our deep apologies for this matter.

(Rep. Jung Hye-kyung) You are saying something different. I asked why you did not file a lawsuit. If Chairman Kim Bom-suk's social media message was not true, you should have filed a lawsuit because it was false and fabricated. Why are you saying something else?

(Coupang CEO Harold Rogers) (Original statement) If we filed a lawsuit every time the media misconstrued facts and gave false stories, that's all our lawyers would do. And you would criticize us for doing it, as you've already done.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) If we file a lawsuit, well, about this, well, we, now, attorneys, always, if the media reports incorrect information, we can file a lawsuit, but aren't you criticizing us for doing too much of that?

(Rep. Jung Hye-kyung) Oh, so until now you have filed lawsuits even when the reports were truthful, but now you are saying that even if this is not true, you will not file a lawsuit? Does that make sense? Do you think our citizens are fools? Let's move on. I will now continue from what I mentioned earlier and speak about industrial accidents. Minister of MOEL, please listen carefully. As Chairperson Ahn Ho-young pointed out earlier, when an industrial accident occurred at Coupang, these are the cases where workers were transported by 119 emergency services. This number is about 50% higher than other delivery companies. And if many were transported by private vehicles instead of 119, then the actual number could be twice as high, meaning more than double the earlier figure. This is the current status of industrial accidents. Furthermore, among those transported by 119 as emergency cases, over 20% were classified as severe—meaning they were on the brink of death. That 20% could have died. However, these individuals are not currently registered as industrial accident cases. Look at this: even among fatal accidents, only one case is registered. We know there are far more cases. Yet here, they are not registered for various reasons. Why is that? Please turn the page. When an industrial accident occurred, the parties involved were Coupang and its fulfillment center. The settlement agreement was signed with them. The agreement states that the lawsuit will be withdrawn and disclosure of the accident is prohibited. It also specifies that if this fact is disclosed elsewhere, it will constitute a breach of the agreement and result in civil and criminal liability. Because of this, we have no way of knowing how many such agreements exist in reality. Looking at the earlier figures, in 2022, there were many industrial accidents at Coupang headquarters—1,451 cases. But in 2023, that number dropped to 322 cases. This is partly because of

the CLS transition, but still, the number decreased significantly. Why is that? In 2022, as mentioned earlier, was that Hermes, and what is it, the actual manuals for concealing industrial accidents appeared. As those manuals were implemented, the number of reported industrial accidents dropped dramatically. This is how the settlement agreement is written.

So what I want to say to the Minister of Employment and Labor is that a special labor inspection alone will not suffice. Together with the police, you need to thoroughly investigate those who were taken to emergency care, especially the severe cases. I asked how the accidents occurred and how they were handled, but Coupang has not provided the data. If you examine it in depth, I believe you will find those settlement agreements. They must be found. And it must be made clear how Coupang has deceived us and concealed these incidents. That is what the administration should do. Simply saying you will continue special labor inspections is meaningless when nothing has changed for years. I believe this is a clear responsibility of the government. Should companies that operate this way even be allowed to do business in our country? On this matter, I believe the Minister of Employment and Labor must also take responsibility and act accordingly. The FSS as well. I understand that various agencies may have stepped in, but the administration must take the lead to ensure that Coupang is properly halted. That is the role I am asking you to fulfill.

Now, could the bereaved family member of Mr. Oh Seung-yong please come forward? Please pause for a moment. The PPT in front of me shows that although it is said to be a five-day workweek, in reality, it is six or seven days. I mentioned this in the previous hearing, and IDs are being shared to make this happen now. This is the real environment—working seven days a week and being exposed to death from overwork. Now, here is Mr. Oh Seung-yong's working hours. It shows eight consecutive days of work, with shared IDs, and over 80 hours of night deliveries. As you know, due to overwork, his parent passed away, and he died on the first day after attending the funeral. Yet Coupang took no action regarding this matter. Earlier, Mr. Rogers said he apologized, right? Could you please repeat that apology now?

(Coupang CEO Harold Rogers) (Original statement) Yes, my deepest condolences. We feel deeply sorry that this happened. I'm deeply sorry.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I extend my deepest condolences and express my sympathy. I feel sorry that such an incident occurred.

(Rep. Jung Hye-kyung) So, do you believe Coupang bears responsibility for this?

(Coupang CEO Harold Rogers) (Original statement) My understanding is that the vendor company for which he worked is negotiating, is working with his family right now to provide support.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) To my knowledge, discussions are underway between the company where the deceased worked and the bereaved family regarding support measures.

(Rep. Jung Hye-kyung) Ah, with the company. Then let me ask again: you believe there is responsibility. The person here is the deceased's sister. There are his mother and wife, and children. Are you willing to go to Jeju and offer a sincere apology in person?

(Coupang CEO Harold Rogers) (Original statement) I feel, the deepest condolences for him. The information that I've received after the earlier conversation was that the vendor company for which he worked is working with the family to provide support. (Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I express my deepest condolences to the deceased. Based on the information I have, the company where the deceased worked (Interrupted)

(Rep. Jung Hye-kyung) I asked if you are willing to go. Are you willing to go to Jeju and apologize in person? Please do not change the subject.

(Coupang CEO Harold Rogers) (Original statement) I'm not sure that would be helpful to the family, but if folks think so, I will certainly look into it.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am not sure if that would be helpful to the family of the deceased, but I will review that matter.

(Rep. Jung Hye-kyung) Does that make sense? These people want a sincere apology from Coupang. Then, directly to the wife and parents—how much pain are they in right now? They are in no position to care for their children at this moment. So, what did you say earlier? Even so, you think that would not bring them any comfort? Why are you not doing what you should be doing? You must do. You said you intend to offer a sincere apology—then why aren't you doing it? Now, let me ask again. You have apologized, and it should not be just words. These people have already lost a family member. They have lost the breadwinner. They have no money to live on. That is why they are crying out so desperately. What is Coupang doing? If you apologize, you must also compensate—and fully compensate. Shouldn't that be done immediately? Why isn't it happening?

(Coupang CEO Harold Rogers) (Original statement) I've extended my deepest condolences and I continue to do so. The information I've received is that the vendor company is working with the family right now to provide that support you talked about.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, I wish to express my deepest condolences. From the information I have, the company where the deceased worked is in discussions with the bereaved family regarding the support measures.

(Rep. Jung Hye-kyung) So what you're really saying is that you refuse to take responsibility until the very end. Hold on—then could one of the bereaved family members please say a word to the CEO?

(Chairperson Choi Min-hee) Please stop it. Please come forward. Yes, speak from there.

(Oh Hye-ri (bereaved family)-observer) It has been less than two months. Last month.....

(Chairperson Choi Min-hee) Please speak into the microphone.

(Oh Hye-ri (bereaved family)- observer) It has been less than two months. Just the other day was the 49th-day memorial. A person died, the breadwinner died, my mother's son died, and my brother died. Please try to think from the opposite perspective. And didn't you hear that the eldest child is sick? The child needs 24-hour care from the mother, so she cannot work now, and from the moment we lost the breadwinner, our livelihood has been cut off. How are we supposed to live? You are a large corporation. Crying out like that..... Is it so difficult to provide compensation? Please say that you will compensate and take responsibility.

(Coupang CEO Harold Rogers) (Original statement) The information I've received is the vendor company is working directly with you right now to provide that support.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) From what I understand, the company where the deceased worked is in discussions with the bereaved family.

(Oh Hye-ri (bereaved family)-observer) With whom and about what exactly are these discussions taking place? Aren't you the CEO? What responsibility are you saying you will take?

(Coupang CEO Harold Rogers) (Original statement) The vendor company for which your brother

worked. My understanding is they are in discussions with your family. I share my deepest condolences.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) From what I know, that company is talking with the bereaved family. I express my deepest condolences.

(Rep. Jung Hye-kyung) Do not just say you express condolences. Do you understand how many times you are killing them with those empty words? A person died—many people died. As I mentioned earlier, because these deaths were concealed, even more people died at Coupang. Coupang must take responsibility. Why do you keep refusing to take responsibility and keep avoiding it? Why is Chairman Kim Bom-suk not here? This is deceiving our citizens and our workers. Just what do you take these workers for? Could Coupang have grown this much—could it have expanded globally—without the labor and sweat of its workers? Just how little do you think of our workers and the people of this country that you come here and continue to mislead them like this? Our entire nation is watching you.

(Coupang CEO Harold Rogers) (Original statement) We believe strongly in caring for our workers. We're providing them with safety and best care possible. We have invested, we have invested, hundreds of millions of dollars to provide safety for our workers. And those safety records have improved. My understanding is that our safety rate is better than the industry average. You've been throwing out base numbers without looking at how large of an employee base we have. My understanding is that our rates are very good. We have invested more and more to take care of our workers because we care deeply for them.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We believe it is important to care for our workers and to ensure the highest possible level of safety. We have invested hundreds of millions of dollars in the safety of our workers. As far as I know, our safety record has improved, and our safety standards are better than the industry average. The figures you have presented do not reflect that. Our improvement... (Interrupted)

(Chairperson Choi Min-hee) Mr. Rogers, please do not go off-topic. Then why are so many workers dying? There is a saying in Korea: "It's like talking to a brick wall." So I don't think there's any point in saying more. If the bereaved family member has something to say to the Minister of Employment and Labor, please do so.

(Oh Hye-ri (bereaved family)-observer) If you look at the evidence, it was disclosed in August, and even in the month before Mr. Oh Seung-yong passed away in November, there is evidence that he worked eight consecutive days from October 8 to October 15. Minister of Employment and Labor, what do you think about this?

(Chairperson Choi Min-hee) Yes, Minister, please respond. You saw the PPT earlier—80 hours.

(MOEL Minister Kim) Yes, I believe this has gone wrong seriously, and I think structural problems such as ID misuse are occurring. For example, when quotas are not met, entire agency contracts are terminated, which in turn creates job insecurity for Quick Flex workers. I suspect these structural issues are being exploited. Regarding industrial accident processing, as I mentioned earlier, we will provide support to ensure that the Korea Workers' Compensation & Welfare Service handles these cases as quickly as possible.

(Chairperson Choi Min-hee) Thank you for coming here despite your grief. This hearing will not be the end; we will proceed with a National Assembly investigation. In the meantime, we will monitor what Coupang does and how the Ministry of Employment and Labor responds.

(Oh Hye-ri (bereaved family)-observer) Yes, please help us.

(Chairperson Choi Min-hee) Are there any other members who wish to question the bereaved family member? No? Then you may leave. The Minister of Employment and Labor has given a clear answer, and you must be exhausted and you can go home.

(Oh Hye-ri (bereaved family)- observer) I want to thank the Minister of Employment and Labor for giving a clear response.

(Chairperson Choi Min-hee) Thank you for your efforts.

(Oh Hye-ri (bereaved family)- observer) Thank you.

(Chairperson Choi Min-hee) Yes. Rep. Lee Joo-hee, please proceed with your questions.

(Rep. Lee Joo-hee) Yes, I will ask the KFTC Chairperson Ju some questions later.

(KFTC Chairperson Ju) Okay.

(Rep. Lee Joo-hee) Please listen carefully to my questions.

Coupang has long promoted Rocket Delivery as if it were an icon of innovation, claiming it operates on a direct-purchase model without any fee structure. But in reality, it was nothing more than digitalized fee extortion, exploiting its monopolistic position.

Coupang introduced PPM—a system that guarantees Coupang a minimum margin rate for every product sold. This scheme was built on squeezing its sellers dry and ultimately generated operating profits of around KRW 600 billion. Let's take a look. Please pause for a moment. Witness Yoon Hye-young, please come forward.

The witness is appearing today as an Audit Committee member, but in fact, since 2014, you have overseen Coupang's core categories—pet supplies, kitchenware, baby products—and now you are serving as Head of Retail, overseeing Rocket Fresh and food/home appliances. Is this correct?

(Audit Committee Member Yoon) Yes, that's correct.

(Rep. Lee Joo-hee) You are one of Coupang's key decision-makers, correct?

(Audit Committee Member Yoon) Regarding the Retail division... (Interrupted)

(Rep. Lee Joo-hee) Yes, you are a decision-maker in that area.

Now, let's look at this PPT slide. (Referring to the screen) "The Three Behind PPM." CFO Gaurav Anand—the person in the center—then the second, the witness here today, Yoon Hye-young, known internally at Coupang as "Helen," and another Retail head, Lee Byung-hee, known internally as "James." Correct?

(Audit Committee Member Yoon) Yes, that's correct.

(Rep. Lee Joo-hee) Coupang operates what's called a dynamic pricing policy, scraping prices from other sites in real time to match the lowest price, correct?

(Audit Committee Member Yoon) Yes, we operate a dynamic pricing system.

(Rep. Lee Joo-hee) So if another site offers a lower price, Coupang lowers its price to match. Does Coupang take on the loss from lowering the price? Answer quickly.

(Audit Committee Member Yoon) As for Coupang bears the cost... We operate on a direct-purchase model... (Interrupted)

(Rep. Lee Joo-hee) I mean, Coupang doesn't bear that cost. Instead, you are recouping the lowered amount from sellers through advertising fees or rebates from sellers, correct?

(Audit Committee Member Yoon) I believe there is a difference between what you're describing and my understanding of the matter.

(Rep. Lee Joo-hee) Please submit detailed information in writing later. In short, isn't this just extorting sellers?

(Audit Committee Member Yoon) Personally, I do not see it that way.

(Rep. Lee Joo-hee) Why is Coupang imposing on suppliers the margin losses resulting from price reductions that Coupang itself decided to implement? A reference witness from an affected company is present today behind the screen, correct?

(Reference Witness) Yes, that's correct.

(Rep. Lee Joo-hee) You've been asked by Coupang to pay a rebate, haven't you?

(Reference Witness) Yes. We've been asked repeatedly—yesterday and today again.

(Rep. Lee Joo-hee) Do you have any evidence to substantiate this?

(Reference Witness) Yes, we have secured all the evidence.

(Rep. Lee Joo-hee) Witness Yoon Hye-young, I'll ask you again: Has Coupang Retail, which you represent, ever requested rebates from suppliers—yes or no?

(Audit Committee Member Yoon) At Coupang, we operate growth rebates for partner companies to promote sales.

(Rep. Lee Joo-hee) Yes, that's exactly what I'm referring to—the growth rebate.

(Audit Committee Member Yoon) We are collecting growth rebates within the scope permitted under the Act on Fair Transactions in Large Retail Business.

(Rep. Lee Joo-hee) You don't need to answer further. In my view, this appears to constitute a violation of the Act on Fair Transactions in Large Retail Business. And such growth rebate demands are made orally, leaving no evidence. But as stated earlier, the recording does exist. Witness, if a supplier refuses to cover these losses, has Coupang ever retaliated by suspending orders—even for the top-selling product—or by blocking the registration of new products—yes or no?

(Audit Committee Member Yoon) With respect to the matters you are raising, at this time...

(Rep. Lee Joo-hee) According to the information provided to us, retaliation does exist. Is that your assessment, or was this directed by Bom Kim?

(Audit Committee Member Yoon) Could you please repeat the question? I missed it.

(Rep. Lee Joo-hee) Coupang—

(Chairperson Choi Min-hee) Just a moment, Rep. Lee. I'll extend your time. The witness is deliberately asking for the question to be repeated. I'll give you all the time you need—please proceed calmly with your questioning.

(Rep. Lee Joo-hee) I'll verify this matter shortly, but given the potential issue of perjury, I'll ask again: When this supplier was asked to cover margin losses, has Coupang ever retaliated by refusing or suspending orders for even the top-selling product—yes or no?

(Audit Committee Member Yoon) I'm not well aware of that particular matter.

(Rep. Lee Joo-hee) You're not aware - despite being the head of the division?

(Audit Committee Member Yoon) I do not have knowledge of every single detail.

(Rep. Lee Joo-hee) Ahead of Coupang's listing on the New York Stock Exchange in 2021, the company introduced PPM to make up for accumulated losses and began pressuring suppliers for Coupang's margins. Wasn't this policy led and approved by you?

(Audit Committee Member Yoon) The PPM you're referring to involves negotiations over supply prices...

(Rep. Lee Joo-hee) Yes, so did you lead the implementation of PPM?

(Audit Committee Member Yoon) This is something that any retail company negotiates with its suppliers.

(Rep. Lee Joo-hee) That will be enough. It has been reported that the PPM Coupang demands from suppliers exceeds 50%.

(Audit Committee Member Yoon) (Inaudible) No, that is not true.

(Rep. Lee Joo-hee) According to the Korea Fair Trade Commission's fact-finding survey...

(Audit Committee Member Yoon) Representative, that is not true.

(Rep. Lee Joo-hee) Hold on, please. Answer the question when it is asked. According to the Korea Fair Trade Commission's fact-finding survey, Coupang's fees exceed even the duty-free store average of 43.2%, the highest in the market. It appears you're attempting to discuss only a nominal percentage, but last week, on Christmas morning, the KFTC announced that in 2024 alone, Coupang received approximately KRW 2.3 trillion from suppliers under the name of sales promotion rebates. Wasn't it Coupang's intention to deflect attention from that announcement when it hastily released the result of the self-investigation conducted in China later that afternoon?

(Audit Committee Member Yoon) I'm not aware of that matter, Representative.

(Rep. Lee Joo-hee) Please answer only the question. That amount corresponds to 9.5% of Coupang's total direct-purchase transaction volume. If we estimate the additional amounts collected through PPM that are not captured here, the figure comes to approximately KRW 10.6 trillion. This estimate was calculated by applying a COGS ratio of 30% derived from materials disclosed to the U.S. exchange. Witness, when you add PPM to the growth rebates you mentioned earlier, as well as advertising fees, Vine program fees, and data access fees, isn't it the case that Coupang effectively extracts more in fees than even duty-free shops, which charge the highest fee?

(Audit Committee Member Yoon) Representative, the fee you're referring to... (Interrupted)

(Rep. Lee Joo-hee) If you have no intention of answering my question, then please don't.

(Audit Committee Member Yoon) In direct purchasing, we do not refer to it as a fee.

(Rep. Lee Joo-hee) If you look closely at the PPM rates, I am talking about the actual fees here. Are you trying to pick a fight over formal terminology? When you look at the PPM rates closely, they usually range from 40% to 50%. For large companies with bargaining power, the rates range from 30% to 40%, and for companies like Samsung or Apple, the rates are reportedly significantly lower. This is a structure that disadvantages our countless small- and medium-sized enterprises while favoring large corporations. Isn't this a serious, unfair trade practice?

(Audit Committee Member Yoon) Representative, as for large companies like Samsung Electronics or Apple, in the case of home appliances...(Interrupted)

(Rep. Lee Joo-hee) Witness, stop answering. Submit it in writing instead. Witness, while you demand 30% to 50% PPM and various other costs from general direct-purchase sellers, what percentage is the PPM applied for your subsidiary, CPLB? Does it even exist?

(Audit Committee Member Yoon) CPLB is... (Interrupted)

(Rep. Lee Joo-hee) From what I hear, they do not provide separate PPM fees, advertising fees, or sales rebate.

(Audit Committee Member Yoon) That is because we cannot receive (Interrupted) rebates from our private brands.

(Rep. Lee Joo-hee) About 2.55% of sales...Exactly! That is exactly why I am saying this.

(Audit Committee Member Yoon) It is legally not allowed to receive it.

(Rep. Lee Joo-hee) I am saying we should compare the actual substance of these deals! It is known that you pay about 2.55% as outsourcing payments. In effect, aren't you providing preferential treatment to your subsidiary compared to other suppliers? Isn't this massive disparity in fees a form of unjust discrimination against general sellers and a case of subsidiary favoritism? We must judge this based on the actual substance.

Every December, Coupang enters into annual contracts by raising the PPM solely to maximize its own profits, based on verbal agreements that have no basis and are not even left in the written contracts. The victimized companies testified earlier. Even at this very moment while this hearing is

in progress, countless SMEs are being coerced by Coupang into accepting these PPM rates. Coupang must stop this immediately. Witness, do you intend to continue with these annual PPM contracts?

(Audit Committee Member Yoon) We will... (Interrupted)

(Rep. Lee Joo-hee) Along with you...

(Audit Committee Member Yoon) We will make every effort to grow together with our partner companies.

(Rep. Lee Joo-hee) Understood. Along with you, there is one more representative in the retail division, correct? As I mentioned earlier, Lee Byung-hee, Head of Retail. He previously worked at Aekyung Industrial and CJ CheilJedang, then joined Coupang with you in 2014. He is currently in charge of Home Living/Media/Beauty.

(Audit Committee Member Yoon) Yes, that's correct.

(Rep. Lee Joo-hee) From my perspective, you and Lee Byung-hee appear to be the main figures behind the abusive practices toward sellers. Who gives orders to these two? Who is your superior? Is it Kim Bom-suk? Or is it the other person—known within Coupang as “G”—Gaurav Anand? I understand that Gaurav Anand, Coupang Korea's CFO, is of Indian descent and formerly with Amazon. He is reportedly considered the de facto CEO of Coupang Korea and referred to as Bom Kim's right-hand man. Isn't it either Kim Bom-suk or Gaurav—or perhaps both—who are directing all these actions?

Chairperson, please ensure that they also appear for the next National Assembly investigation to answer questions on this matter.

(Chairperson Choi Min-hee) Yes, we will do that.

(Rep. Lee Joo-hee) And Coupang, do not think of covering up the obvious truth. Act based on truth and facts, show at least a modicum of corporate ethics. Chairperson Ju, Biung-ghi of the Korea Fair Trade Commission, Coupang claims there are no fees for Rocket Delivery, but we have reviewed everything. This issue is extremely serious. The actual amount is more than four times higher than what the KFTC announced, and these amounts are not reflected in the KFTC's fee structure. You must investigate this thoroughly. Do not be misled by the “direct purchase” structure in name only. You must fully assess the reality and examine how severely the partner vendors are being exploited and how much they have been forced to endure.

(KFTC Chairperson Ju) Yes, we will do that.

(Rep. Lee Joo-hee) Victimized companies say they fear Coupang more than government agencies. Isn't this because the KFTC has not been doing its job properly until now?

(KFTC Chairperson Ju) We will work hard on this.

(Rep. Lee Joo-hee) The KFTC under the Lee Jae-myung administration must prove it has turned a new page.

(KFTC Chairperson Ju) Yes, we will.

(Chairperson Choi Min-hee) Chairperson of the KFTC, do you have anything to add?

(KFTC Chairperson Ju) Yes. Regarding the practice of shifting margin losses onto sellers in the form of advertising fees, as just mentioned, an investigation is currently underway. If we confirm any violation of the law, we will take strict action immediately. Following the ongoing investigation, we will continue to monitor for any similar violations on a regular basis.

(Chairperson Choi Min-hee) Coupang's government relations team also has someone in charge of the Korea Fair Trade Commission, correct?

(KFTC Chairperson Ju) Yes, as far as I know, they do.

(Chairperson Choi Min-hee) In my view, Coupang's attitude depends less on you and more on what kind of relationship mid-level bureaucrats have with Coupang's government relations team. Please make sure to look into this as well thoroughly.

(KFTC Chairperson Ju) Yes, we will also rigorously look into organizational discipline.

(Chairperson Choi Min-hee) Rep. Lee Hai-min... No, wait.

(Reference Witness) Excuse me, Chairperson Choi Min-hee...

(Chairperson Choi Min-hee) Hold on, it's now Rep. Lee Hai-min...

(Reference Witness) Just a moment, I'm a reference witness.

(Chairperson Choi Min-hee) Ah, yes. Do you, the confidential reference witness, have something to say? I'll give you time. I'll give you enough time, so please take your time and speak slowly and clearly. It's fine, I'll allocate enough time for you.

(Reference Witness) Today, I'll keep my remarks brief, and if there's another opportunity, I'll speak in more detail. Earlier, regarding Witness Yoon Hye-young, Head of Retail, our products also fall under her category. Our company has former Coupang employees, and some of our staff have moved to Coupang, so we know a lot about Coupang internally. Today, Yoon, known as "Helen" within Coupang, gave false testimony, and I urge that this be strictly punished. Also, since Coupang's PPM enforcement intensified in 2021, all suppliers, including us, have recorded every phone call with Coupang's sales representatives.

If the KFTC Chairperson who is present here could create a website or hotline for companies victimized by Coupang to submit reports, I believe you could obtain extensive evidence of the harm experienced by my company as well as the thousands—or even tens of thousands—of supplier companies. Thank you.

(Chairperson Choi Min-hee) Earlier, witness Yoon Hye-young said during Rep. Lee Joo-hee's questioning, when presented with documents, "How could I possibly know all of that?" Right? "How could I possibly know all of that?" Now, here comes the rebuttal immediately. Coupang now is acting like the conglomerates of the 1970s, exploiting workers, treating workers as less than human, colluding with bureaucrats behind the scenes, and hiring former prosecutors and judges to cover things up. While engaging in these outdated 1970s-style practices, they boast about being a global company. Even such small lies are exposed right here. You may step down.

(KFTC Chairperson Ju) Regarding what the witness just said, if you go to the KFTC website, there is a channel for filing complaints. Please visit the website and submit your report and evidence.

(Chairperson Choi Min-hee) Yes, here's what we'll do. We'll display the KFTC website address shortly. We'll guide the 12,000 suppliers to Coupang who are watching so they can file complaints. We'll put it up, so please get ready.
Rep. Lee Hai-min, please proceed with your questions.

(Rep. Lee Hai-min) I wasn't sure whom to request confirmation from, since no one from the Financial Supervisory Service is present. Is the Chairperson of the Financial Services Commission here?

(FSC Chairman Lee) Yes.

(Rep. Lee Hai-min) Please come forward. After that, I'll direct my questions to Matthes, the CISO. I am Lee Hai-min from the Rebuilding Korea Party.
Coupang claims it proceeded in cooperation with the government, yet it disregarded the government's investigation and suddenly made an announcement on the 25th—a highly reckless move. It even dragged in meetings related to U.S. customs negotiations, using media play both in the U.S. and Korea. I'm curious—Chairperson, do you have any idea why they would take such an extreme step?

(FSC Chairman Lee)

(Rep. Lee Hai-min) I doubt you do, but from a corporate standpoint, this was a very risky move. Right after these aggressive efforts—especially after swaying public opinion pushing the narrative that “we merely acted in accordance with what the Korean government directed”—Coupang's stock price, which had been falling, suddenly went up.
At the very least, I ask the Financial Services Commission to closely monitor any sale of Coupang executives' shares until this issue is resolved. That's why I called you—can you do that?

(FSC Chairman Lee) Yes, but Coupang stock is currently listed on the U.S. stock market.

(Rep. Lee Hai-min) I'd like you to start monitoring first. That's my request. You may now return to your seat.

The reason I'm asking is that I suspect they pushed this hard—even to the point where the NIS Director is considering filing perjury charges—to temporarily boost the stock price and then time their share sales.

I hope my remarks here today serve as a deterrent to such actions.

Mr. Matthes, CISO, please come forward. Here's my question: Among the personal information of 33.7 million people leaked by Coupang, does that include any employee information?

(Coupang CISO Brett Matthes) (Original statement) It includes employee information if they were a customer, but only the customer information (inaudible) not information as an employee...

(Coupang CISO Brett Matthes) (Simultaneous interpretation) If an employee had been also a customer, then their information would have been included because customer information was leaked. But not their information as an employee.

(Rep. Lee Hai-min) So, about various types of data related to employees —not just general users. Would you consider that data to have been leaked?

(Coupang CISO Brett Matthes) (Original statement) No, the leaked data was customer data.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) No. The leaked data was customer data.

(Rep. Lee Hai-min) So you're 100% certain, right? The reason I'm asking is that Coupang collects far more personal information from employees than necessary. Let's look at the Privacy Notice of its subsidiary, Coupang Fulfillment Services—Slide 2.

(Referring to the screen) Above all, I don't understand why they would collect information about employees' lifestyle habits.

And Mr. Rogers, our office received a report.

Mr. Matthes, you may return to your seat.

Please look at Slide 3.

To protect the whistleblower's identity, I can't show the full screen, but Coupang requires employees to provide information on whether any family member is a public official—and if so, the team and title—as a mandatory field. This report was received not from a single person but from multiple people.

Slide 4. If the information wasn't submitted, they sent repeated emails until it was.

Mr. Rogers, are family members who are public officials—and their ranks—necessary for Coupang's business capabilities?

(Coupang CEO Harold Rogers) (Original statement) I'm unaware of this information being collected.

As far as I understand...(Inaudible)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am not aware of whether such information has been collected.

(Rep. Lee Hai-min) I seriously wonder if you know anything at all. And you call yourself the CEO of Coupang Korea. Looking at this, I can't help but think—if a Coupang employee's family member is a high-ranking public official, does that mean they get recruited into Coupang's massive government affairs organization? Chairperson Song Kyung-hee, as you review this, I'd like the PIPC to investigate whether Coupang explicitly obtained consent to collect information on whether an employee's family member is a public official, whether the purpose of collection is truly unavoidable, and whether this goes beyond the scope of minimal collection, among other issues.

(Coupang CEO Harold Rogers) (Original statement) Oh sorry, can I clarify? (Audio overlap) No, this is required by U.S. law. Sorry, let me clarify.

Interpretation not provided

(Rep. Lee Hai-min) And regarding the personal information, that's enough. Personal information, sensitive information...

(Coupang CEO Harold Rogers) (Original statement) Conflict of interest is required under SEC U.S. law. When we are requesting this, this is from Corporate Executives.

Interpretation not provided

(Rep. Lee Hai-min) No, that's enough. Enough. As I dug into the issue of transferring personal and sensitive data to overseas cloud servers, Chairperson, I found a point in the Personal Information Protection Act that raised some questions. Here's why: sensitive information and personal information are classified separately. Article 23, Paragraph (1) defines what constitutes sensitive information, and Paragraph (2) stipulates that, in the case of sensitive information, measures necessary to ensure security under Article 29 must be taken.

This is directly related to Coupang storing personal, sensitive information in Singapore. However, looking at Article 29 itself, there are no particularly strengthened protection measures for sensitive information. It's practically an empty provision. From what I see, this clause, which was revised back in 2016, hasn't kept pace with reality. So, Chairperson Song, I urge you to take all necessary steps—

including amendments—to make these provisions truly effective in protecting personal information, while at the same time ensuring they don’t hold back the cloud era. Please work with the Vice Minister to make this happen. And if you need anything, feel free to reach out to my office. Now, back to Mr. Rogers. Can you answer this: Is Coupang storing employees’ sensitive personal information separately and securely?

(Coupang CEO Harold Rogers) (Original statement) So let me clarify, (Inaudible) Can I please answer the question? Please allow me to answer the question.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I first want to clarify. (Interrupted)

(Rep. Lee Hai-min) Is it securely segregated? I mean, is it logically separated or physically separated? This is something that is addressed in ISMS-P evaluations.

If Coupang has collected any personal information beyond the minimum collection principle under the Personal Information Protection Act, I expect you to immediately delete it. Chairperson, please ensure that follow-up measures are taken on this matter. And to ensure collection within an appropriate scope, I believe there should be consultations with the labor union. Since the Minister of Employment and Labor is present, I’d like the ministry to monitor how Coupang handles this and make sure there is continuous follow-up.

Now, regarding the cloud issue I mentioned earlier—please refer to Slide 9.

Back in the 2021 National Assembly audit, then-CEO Park Dae-jun stated that all personal information was stored on servers located in Korea and managed entirely by a team in Korea dedicated to personal information, correct? Moving to Slide 10: during the emergency inquiry on the 2nd, in response to my question, Matthes, Coupang CISO, said that Coupang uses AWS cloud services, but only the Korea region. Then Slide 11: at the hearing on the 17th, when I asked again, this time the answer was that backup data is backed up, stored in Singapore.

It seems highly unlikely that the answer changed as backup was newly implemented between the 2nd and the 17th. Chairperson Song, Coupang says it is storing the backup data of domestic users’ personal information in Singapore, but domestic users don’t know this, do they? Not until we bring it up here in this hearing.

Coupang will probably claim that consent was obtained at the time of sign-up, because without consent, registration isn’t possible. So yes, Coupang must have received customers’ consent, but only in a mechanical way. But customers don’t know that their personal information is being backed up in the Singapore region.

Looking at the section on outsourcing in the privacy policy, it seems clear that backup data is entrusted to Singapore. But I believe the public will be wondering just how far their data travels. Currently, the PIPC operates an equivalency determination system for cross-border transfers of personal information. What this means is that the protection level of the recipient country or international organization is verified in advance, and if it is deemed equivalent to Korea, transfers are allowed without conditions. So, is Singapore a country recognized as equivalent by Korea?

(PIPC Chairperson Song) No, it isn’t.

(Rep. Lee Hai-min) Right. No.

That naturally leads me to a question.

Singapore is currently not included among the countries recognized for equivalency. This means lingering concerns remain that its personal information protection framework may differ from ours. I am not certain whether the joint public-private investigation team can effectively examine whether backup data in the AWS Singapore region is being properly managed. Vice Minister, as I have mentioned before, these issues underscore the need to further advance the ISMS-P certification system to account for cloud environments as well, and to enhance the investigation methods of the joint public-private team. I would like to emphasize this point once again.

I believe this is the third time I have raised this matter.

And regarding Coupang...

Since CEO Rogers tends to go off-topic, I would ask Mr. Matthes to return to the discussion.

(Coupang CEO Harold Rogers) (Original statement) You haven't allowed me to answer the questions. I've been trying to answer the questions. You cut me off every time I try. I don't understand why calling me here and not letting me answer the questions.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Why did you call me here and not allowing me to answer...

(Rep. Lee Hai-min) It seems he is completely unaware of why he is being treated that way—or perhaps he is simply fulfilling the role he was assigned for this occasion. Matthes, CISO, please join us.

On December 25 and 26, Coupang released statements in which the word "government" appeared 42 times. Could you clarify once again who exactly this "government" refers to?

(Coupang CISO Brett Matthes) (Original statement) I was not involved in the writing of the statement, and to my understanding (Interrupted)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I was not involved in drafting that statement.

(Rep. Lee Hai-min) Who was involved?

(Coupang CISO Brett Matthes) (Original statement) I am not aware of who was involved...

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I don't know who was involved.

(Rep. Lee Hai-min) Then is CEO Rogers the only person who can answer this? Who here can respond?

(Coupang CISO Brett Matthes) (Original statement) I.. I apologize. I truly don't know who released the statement.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I apologize. I don't know who made that statement.

(Rep. Lee Hai-min) Are you really a Coupang employee?

(Coupang CISO Brett Matthes) (Original statement) I am, yes.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Yes, that's correct.

(Rep. Lee Hai-min) You're not giving any answers. You're just standing there like a scarecrow, then.

(Coupang CEO Harold Rogers) (Original statement) I can answer the question. Will you ask me the question?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Shall I answer?

(Rep. Lee Hai-min) Then please answer precisely. In the government statements released on the 25th and 26th, the term "government"—no, in Coupang's announcements—who exactly does this "government" refer to? Which agency and which person?

(Coupang CEO Harold Rogers) (Original statement) Am I now allowed to answer?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Shall I respond now?

(Rep. Lee Hai-min) You may only answer the question I asked.

(Coupang CEO Harold Rogers) (Original statement) Yes, I gave this answer earlier.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I mentioned this earlier.

(Rep. Lee Hai-min) No, you may only answer the question I just asked.

(Coupang CEO Harold Rogers) (Original statement) It's a national agency that has come out and accepted and confirmed that they cooperated with us and gave us directives.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) It refers to a national agency that confirmed its cooperation with us.

(Rep. Lee Hai-min) (Mic off) A perjury accusation will likely be filed. That is all.

(Chairperson Choi Min-hee) Deputy Prime Minister Bae Kyung-hoon is present. About that answer, you've just joined us, right?

(Deputy Prime Minister Bae) Yes, I just arrived.

(Chairperson Choi Min-hee) Vice Minister Ryu Je-myung, please confirm once again. Yes, please check.

(MSIT Vice Minister Ryu) As the Deputy Prime Minister mentioned earlier this morning, I would like to reiterate that no government agency has instructed Coupang to conduct a self-investigation or intervened in its internal investigation.

(Chairperson Choi Min-hee) So either they don't understand Korean or the interpretation is consistently wrong, because the response sounds like they are claiming to have been directed even on the practical details. That is completely absurd.

Rep. Jung Il-young, please proceed.

Rep. Jung Il-young, for the issues you raised earlier, please speak slowly and clearly. If they try to drag out time, we will calculate and make up for that time.

(Rep. Jung Il-young) Thank you. I have two requests for additional materials.

I find today's session rather frustrating. Coupang continues to provide insincere answers.

As the Chairperson noted earlier, when I questioned them, after Coupang conducted its own investigation, the government stated they had issued no directives and that there was no "cooperation" or "joint investigation" whatsoever. Meanwhile, Coupang has consistently claimed all day that they acted under government orders. We must settle this discrepancy once and for all tomorrow.

From where I stand, it appears Coupang is engaging in the malicious act of boosting their stock price in the U.S. by using false information. If there truly were government directives, I demand that Coupang submit precise documentation by 10:00 AM tomorrow morning, detailing when, how, and regarding what specific content those directives were received. Furthermore, regarding the mention of the National Intelligence Service, I would like the 3rd Deputy Director or another responsible official from the NIS to attend tomorrow's session, if possible. We must address this clearly and leave no room for doubt.

My second request for materials concerns who specifically created the expressions "false insecurity" and "falsely accused".

To put it plainly, they asserted that the Korean government is making false accusations, and this has influenced the U.S. stock market. When I asked earlier who was responsible for this, they kept hedging and evading responsibility. I demand that Coupang submit materials by 10:00 AM tomorrow detailing exactly who created these English materials and when.

Now, I will begin my formal inquiry. Looking at the overall situation today, I can summarize it in one sentence: Coupang is generating massive profits in Korea by forcibly taking products and excessive advertising fees from those in desperate situations—our small business owners, the self-employed, and SMEs — while making life of delivery workers difficult. And they are funneling those massive profits over to the United States. So I intend to examine that process today.

Now, the Commissioner of the National Tax Service and the Commissioner of the Seoul Regional Tax Office are present, correct?

(NTS Commissioner Lim) Yes.

(Rep. Jung Il-young) Please listen carefully to my question—the focus is this: ultimately, Chairman Kim Bom-suk is responsible. That’s why I’m explaining the logic that a tax investigation should be conducted, and that Chairman Kim Bom-suk, the owner, should face tax evasion charges and even a criminal referral. The core issue here is Kim Bom-suk, the owner. Please bring up the PPT. (Referring to the screen) As you can see here: Coupang Korea exists, and Coupang Korea is 100% owned by Coupang Inc. Coupang Inc., in turn, has 74% of its voting rights held by the owner, Kim Bom-suk. And Coupang owns 100% of its subsidiaries—currently about 12 or 13 of them. So what does this mean? The profits generated by Coupang flow to Coupang Inc., and the real owner of Coupang Inc., Kim Bom-suk, ultimately takes those profits.

This structure is clear, isn’t it?

Now, let me ask you: earlier, CEO Harold Rogers, you said that the responsibility for this incident does not lie with Chairman Kim Bom-suk but with yourself. Is that correct? Please answer briefly.

(Coupang CEO Harold Rogers) (Original statement) I do not believe this chart is correct. I can’t read it because of the Korean. But 100% of the profits do not leave the country.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don’t think this chart is correct. I cannot read it because it’s in Korean, but not 100% of Coupang’s profits leave Korea.

(Rep. Jung Il-young) Mr. Rogers, do you know what the media is saying today?

They’re reporting that Harold Rogers continues to give irrelevant and nonsensical answers, disrupting this hearing. That’s why other committee members are not giving you opportunities to respond. And even now, what kind of answer is that?

Earlier, you said the responsibility does not lie with Chairman Kim Bom-suk, but with yourself. I’m just confirming that. Yes or no—that’s all you need to answer.

Who bears responsibility for this situation at Coupang? Is it Kim Bom-suk, or is it you?

(Coupang CEO Harold Rogers) (Original statement) I’m the CEO of Coupang Korea. I take responsibility.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I’m the representative of Coupang Korea. I take the responsibility.

(Rep. Jung Il-young) So are you saying you do bear responsibility, or you do not? Excuse me? You say you take responsibility? Then why did Chairman Kim Bom-suk issue an apology? Why did Mr. Kim Bom-suk issue an apology if he has no responsibility? Time is running. Please answer quickly.

(Chairperson Choi Min-hee) I'll exclude that from your speech time, so please speak slowly and clearly.

(Rep. Jung Il-young) Shall I? Just frustrating.

(Chairperson Choi Min-hee) It's fine. We'll exclude all of that—even down to the seconds.

(Rep. Jung Il-young) Thank you.

(Chairperson Choi Min-hee) Slowly.

(Rep. Jung Il-young) Why did Chairman Kim Bom-suk issue an apology? He's someone with no responsibility.

(Coupang CEO Harold Rogers) (Original statement) I think for the reasons stated in the apology that he feels deeply sorry, and wanted to apologize on behalf of the entire company. But I'm the CEO of Coupang Korea.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) As stated in the apology, Chairman Kim Bom-suk apologized because he felt sorry on behalf of the company. I am the CEO of Coupang Korea.

(Rep. Jung Il-young) Then, Mr. CEO, was the recent absurd, unreasonable compensation plan announced by Coupang reported to and approved by the company owner, Kim Bom-suk?

(Coupang CEO Harold Rogers) (Original statement) That package was put together by various teams within Coupang Korea.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The compensation plan was developed by various teams within Coupang Korea.

(Rep. Jung Il-young) Please give a clear answer. Are you saying you reported it, or that you didn't?

(Coupang CEO Harold Rogers) (Original statement) I regularly discuss issues in Coupang Korea with our entire board including with our chair.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I regularly discuss matters concerning Coupang Korea with the board and with Chair Kim.

(Rep. Jung Il-young) Good, that's exactly what I wanted to ask. So, regularly—meaning you report things, right? Then you must have reported today's hearing details and plans to Chairman Kim as well?

(Coupang CEO Harold Rogers) (Original statement) I made a report on the compensation and other issues to the entire board.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I reported the compensation plan and other matters to the entire board.

(Rep. Jung Il-young) Your answer is not sufficient. Then, as shown in the chart earlier, Chairman Kim Bom-suk is essentially the owner of the company—he founded Coupang Korea—and he goes around boasting about it while saying that it is expanding into Taiwan and other markets. He's also someone who engages in massive lobbying efforts in the U.S. Do you think he has no interest in Coupang Korea? Common sense says otherwise—he's deeply interested.

So, as you said you report regularly, how often do you report? Once a week? Seven times a week? Sir?

(Coupang CEO Harold Rogers) (Original statement) It's all dependent upon what's going on. I might report into him, my discussions with him and the board are on a regular basis.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) It depends on the situation. I regularly discuss matters with Chairman Kim Bom-suk and the Board, and the reporting frequency varies depending on the issue.

(Rep. Jung Il-young) Then, is it correct that Coupang Inc. in the U.S. has about 170 people dispatched to Coupang Korea?

(Coupang CEO Harold Rogers) (Original statement) I don't have the exact number, but we have many expats that are on assignment from Inc. to Corp.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I don't know the exact number, but yes, there are many U.S.-based employees dispatched from Coupang Inc. to Korea.

(Rep. Jung Il-young) No, it doesn't have to be precisely 170. Around one hundred seventy. Should I say it in English? Is that correct?

(Coupang CEO Harold Rogers) (Original statement) I would need to look at the exact number. I don't know the exact number.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I think I need to check the accurate number.

(Rep. Jung Il-young) I'm not asking for an exact number—around, about.

(Coupang CEO Harold Rogers) (Original statement) I would need to go back and look at the numbers. Why are you trying to force me to affirm a number that I haven't seen? (Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I still need to check the figure. Why are you trying to force me to confirm a number I haven't seen? (Interrupted)

(Rep. Jung Il-young) Come on. As the Korea CEO, shouldn't you at least know roughly how many people came from the U.S. INC headquarters? Fifty? A hundred? Seventy? Two hundred? Are you just going to keep dodging responsibility and giving vague answers?

(Coupang CEO Harold Rogers) (Original statement) I am directly answering the questions that you asked.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I am directly answering the questions that you asked.

(Rep. Jung Il-young) You call that "a direct answer"? That's not even close.

Anyway—Commissioner of the National Tax Service, this shows that Kim Bom-suk is effectively running Coupang Korea. That's the logic. With about 170 people dispatched, I believe Coupang Korea operates under their influence. So the NTS needs to investigate this thoroughly.

And now, Vice President of Legal Affairs, please come forward. Before that—no, come forward now. Regarding the taxes on Coupang's sales amount, who...CEO Rogers won't be able to—who can? Vice President, can you answer?

Vice President, let's start with this. You appear to be a U.S. attorney. According to documents Coupang filed with the U.S. Securities and Exchange Commission, Kim Yoo-suk is listed as Vice President. And under Delaware corporate law, a breach of fiduciary duty as a shareholder can result

in forced removal. So if the owner, Kim Bom-suk deliberately downplayed damage from the data leak or delayed disclosure without valid reason, he could be subject to forced removal. Are you aware of that?

(VP Lee Jae-gul) It's related to US law, so I don't know it well.

(Rep. Jung Il-young) You claim to be a U.S. company—but you are saying you don't know? Who knows then? Mr. Rogers will say he doesn't know once again. Chairperson of the Korea Fair Trade Commission, the issue of the same person is very important, isn't?

(KFTC Chairperson Ju) Yes.

(Rep. Jung Il-young) I'm sure you've heard this enough to be familiar with it.

(KFTC Chairperson Ju) Yes.

(Rep. Jung Il-young) I need you to give us a definitive resolution this time.

(KFTC Chairperson Ju) Yes. We conduct these checks periodically and we will this time. We will carry out a thorough inspection this time.

(Rep. Jung Il-young) Yes. I assume the Vice President of Legal Affairs might know the answer to this as well. Coupang's overall size last year, in 2024, was approximately KRW 36 trillion. Do you know exactly how much the company paid in taxes?

(VP Lee Jae-gul) Since I am not in charge of tax matters, I don't know the exact amount.

(Rep. Jung Il-young) Even if it's not exact. You are the Vice President, after all.

(VP Lee Jae-gul) I would have to look up the figures to be sure.

(Rep. Jung Il-young) I don't have the exact figures either... since you won't provide the data. But based on my understanding, I assume it's around KRW 80 billion. 80 billion? Maybe 80 to 90 billion? 80 billion? So when your overall size is pushing close to KRW 40 trillion, a tax payment of only about 80 billion—it does not make sense.

What I'm saying is that you are minimizing all your taxes and simply squeezing everything and funneling it all back to the United States. Coupang Fulfillment Services, which is currently undergoing a tax investigation, had an overall size of approximately KRW 4.4 trillion in 2024. Do you know how much they paid in taxes?

(VP Lee Jae-gul) I do not know the amount.

(Rep. Jung Il-young) It seems nobody here knows anything. From what I recall, it was about KRW 7 billion. 7 billion! Their size exceeds KRW 4 trillion, yet the tax paid is only 7 billion. What this means, Commissioner of the National Tax Service, is that there are nefarious transactions happening between Coupang and its subsidiaries. They are evading taxes as well, aren't they?

(NTS Commissioner Lim) Yes.

(Rep. Jung Il-young) So, the National Tax Service must get to the bottom of this. You cannot simply let this slide, can you?

(NTS Commissioner Lim) Our investigators are currently conducting a thorough review of the matters you have raised.

(Rep. Jung Il-young) And here's another problem: there are leftover profits, and they're taking them to the INC in U.S., Coupang INC, under the pretext of IT support, legal and management consulting, platform and brand royalties—taking huge amounts, way too much. In English, “too much, too much.” The National Tax Service must catch this.

(NTS Commissioner Lim) Of course, that is also subject to investigation, and our staff are thoroughly reviewing it.

(Rep. Jung Il-young) So, Commissioner, companies with over KRW 100 billion in sales amount and over KRW 500 billion in international transactions are required to submit local and master files, right?

(NTS Commissioner Lim) Right.

(Rep. Jung Il-young) And the NTS is supposed to review those to determine whether international transactions are appropriate—things like excessive fees and non-compliance with transfer pricing standards.

(NTS Commissioner Lim) Yes.

(Rep. Jung Il-young) Have you questioned Coupang on this?

(NTS Commissioner Lim) We've looked into those issues in the previous investigation and are doing so in the current one as well.

(Rep. Jung Il-young) Please examine this thoroughly. From what I see, Coupang squeezes struggling people here in Korea to make profits, then sends all of it to the U.S. under absurd pretexts. Where else do you see such bad corporate behavior? (Mic off) Kim Bom-suk, the owner, directs this, involves himself in management, and takes a substantial portion of the profits. So, the owner, Kim Bom-suk, should bear responsibility for this situation... Is it off? Just 30 seconds...

(Chairperson Choi Min-hee) I've given you more time.

(Rep. Jung Il-young) You did? I didn't know. Just 30 seconds. I'll wrap it up.

(Chairperson Choi Min-hee) Give him another 30 seconds.

(Rep. Jung Il-young) The NTS must conduct a thorough tax investigation and not only identify tax evasion and recover unpaid taxes but also refer him for prosecution as a tax evader. From what I see, there's more than enough suspicion—just look at this reasoning. Kim Bom-suk, the owner, must take full responsibility.

Today's situation stems from Kim Bom-suk giving wrong orders. If he acknowledged responsibility honestly and handled this properly, why would we be holding a hearing like this at year-end?

It's because of these outrageous actions that we're all here at the end of the year... (Mic off) having to go through all this hardship just to hold this hearing...

You must file a complaint against the owner, Kim Bom-suk.

(NTS Commissioner Lim) In my experience, when an owner's sense of corporate ethics is low, the risk of tax evasion rises. I believe our tax investigation team is thoroughly reviewing whether this applies here.

(Chairperson Choi Min-hee) Yes, yes. Two minutes.

(Rep. Oh Gi-hyoung) This is a simple data request, related to the previous question—I just want to make sure it's not overlooked. I'd like to make some remarks, make a data request.

It was mentioned that 170 employees from Coupang U.S. were dispatched to Coupang Korea, correct?

If so, please confirm whether that number—170—is accurate.

And if there are any related contracts, please provide those as well, to the extent possible.

Second, CEO Rogers said he continues to consult with the board members, correct?

So please submit the list of the board members for Coupang U.S. and Coupang Korea. This should be easy to provide right away, so I would like to request that this be provided now.

(Chairperson Choi Min-hee) I don't think we should be asking Mr. Rogers for this—Vice President, Lee Jae-gul? Please submit it. You haven't submitted any documents yet—are you still drafting them?

(VP Lee Jae-gul) (Mic off) We are submitting it now...

(Chairperson Choi Min-hee) Please submit this first. The 170 dispatched employees. And your company signs individual contracts for them, right? That was requested. Next, regarding the board members—I just assumed that meant Kim Bom-suk, but since you keep mentioning the board members, please submit the full list of the board members for Coupang U.S. and Coupang Korea. Isn't this usually available on the website? Please provide it quickly.

(VP Lee Jae-gul) Yes, we will prepare and submit it.

(Chairperson Choi Min-hee) And about that document you said you were drafting—how far along are you?

(VP Lee Jae-gul) As far as I know, we are submitting the documents once they get ready.

(Chairperson Choi Min-hee) Have you submitted them? Rep. Kim Nam-geun requested...

They haven't? Then none of us are going home until we get them. We need to receive these documents no matter what. Earlier, I asked for the details of the complaint filed against the reporter, Park Hyun-gwang. Please provide that. Sit down and submit the documents quickly. Rep. Lee Hai-min,

(Rep. Lee Hai-min) I'd like to add to the data request made by Rep. Oh Ki-hyung just now. Specifically, regarding the 170 dispatched employees, please also provide their visa status. We need to determine whether they are working under valid work visas and also check whether there're any tax implications. So please include visa status in your submission.

(Chairperson Choi Min-hee) If Coupang doesn't provide this, can't we get visa information from the Ministry of Justice? What do you think? Visa... Oh, the Ministry of Foreign Affairs? Can't they provide it?

(Rep. Oh Gi-hyoung) (Mic off) We need to have the list of names.

(Chairperson Choi Min-hee) I mean, when we have the list of names. We can identify them ourselves, but that takes time—tracking down names individually. Let's avoid that effort; just give us the list. You might say visa status is personal information, but if you give us the list, the National Assembly can legally confirm it. Honestly, I don't even know who to ask for answers here. Mr. Rogers, please provide it. Representative of the Korean entity, and the actual decision-maker—please provide it.

(Coupang CEO Harold Rogers) (Original statement) Yeah, we will take that back and work on that.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We will take that and work on it.

(Chairperson Choi Min-hee) What exactly are you taking back to work on? Please give instructions now and submit it immediately.

And now, observers, Ms. Oh Hye-ri and Ms. Park Mi-sook, you're still here, correct?

(Oh Hye-ri (bereaved family)-observer) Yes.

(Chairperson Choi Min-hee) Yes, you haven't left yet? Chairperson of the Coupang Headquarters Establishment Preparatory Committee of the Delivery Workers' Union, Kang Min-wook—are you here?

(Coupang Delivery Union Chairperson Kang) Yes.

(Chairperson Choi Min-hee) Yes. So far, no questions have been raised. Please go ahead and ask your question now.

Rep. Lee Yong-woo, please proceed with your question.

(Rep. Lee Yong-woo) I am Lee Yong-woo, representing Seo-gu Eul, Incheon.

Please pause the timer for a moment.

Mr. Rogers, please move your seat next to former CEO Park Dae-jun.

(Chairperson Choi Min-hee) It's because we can't see. Please change seats.

Sorry, it's just because we can't see.

(Rep. Lee Yong-woo) Mr. Park Dae-jun, please sit next to him as well.

(Chairperson Choi Min-hee) Please give a chair...

(Rep. Lee Yong-woo) I'm Lee Yong-woo, representing Seo-gu Eul, Incheon. Former CEO Park Dae-jun, this morning you said that Mr. Kim Yoo-suk was working at Coupang as a department head at the time of Mr. Jang Deok-jun's industrial accident in 2020. Please answer quickly.

(Former CEO Park Dae-jun) To the best of my memory, I said he was at that level...

(Rep. Lee Yong-woo) Was it Coupang's parent company or a subsidiary?

(Former CEO Park Dae-jun) As far as I recall, it was the parent company—Coupang.

(Rep. Lee Yong-woo) Until you resigned recently, where was Mr. Kim Yoo-suk working, what was his position, and what were his responsibilities?

(Former CEO Park Dae-jun) I understand he currently holds the position of Vice President at Coupang Korea.

(Rep. Lee Yong-woo) As Vice President, what is his role?

(Former CEO Park Dae-jun) He is one of the leaders responsible for logistics and delivery operations.

(Rep. Lee Yong-woo) Is he in charge overall?

(Former CEO Park Dae-jun) CLS oversees the delivery side overall.

(Rep. Lee Yong-woo) (Referring to the screen) Please take a look at the screen. Mr. Rogers, look at the screen.

This is the email I showed you this morning—sent by you on October 23, 2020, about ten days after the industrial accident that led to the death of Mr. Jang Deok-jun.

This morning, you said “you didn’t know whether it was authentic and that you had never seen this document before”. Do you still maintain that statement?

Let me check in detail: Are you saying you didn’t write this email, or that you wrote it but it was manipulated or altered, or that you simply don’t remember writing it? What exactly is your position?

(Coupang CEO Harold Rogers) (Original statement) We haven’t been provided this document and it didn’t come from the company. We have not been able to authenticate it. From five years ago, I can’t remember whether this was an email that I wrote or whether it’s an authentic email.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We did not receive this material. This was not provided by our company, and we could not verify its authenticity. I don’t know if I wrote such an email five years ago, and I don’t know if this is a genuine email.

(Rep. Lee Yong-woo) Former CEO Park Dae-jun, do you know the content of this email? I’ve included a translation below. At that time, the executives were making every effort to cover up Mr. Jang’s death and avoid recognition as an industrial accident. You’re aware of this, right? Please answer quickly.

(Former CEO Park Dae-jun) Could I check this a bit further, Rep.? I don’t recall right now...

(Rep. Lee Yong-woo) Okay, let’s look at the next screen. This is the email we checked this morning—the previous screen, yes. “From DJ.” DJ stands for Dae-jun, correct?

(Former CEO Park Dae-jun) Yes.

(Rep. Lee Yong-woo) “From Robert.” Referring to Kang Han-seung, correct?

(Former CEO Park Dae-jun) Yes.

(Rep. Lee Yong-woo) This email was sent directly by the two of you. You know that, right?

(Chairperson Choi Min-hee) Let’s do this, Representative. You have the PPT materials, right? Since they’re pretending not to know, if you have copies of the documents, please distribute them.

(Rep. Lee Yong-woo) Please pause the timer.

(Chairperson Choi Min-hee) Sure, I'll stop the timer. Since we have foreign participants and that is causing delays, we're excluding those seconds, so please wait a moment, Representative. Bring those documents here. Make copies and give them to Mr. Harold Rogers as well, and to Mr. Park Dae-jun... Give them all. I'll stop the timer. And let's take a short break—even if it's just one second or ten seconds.

So, here's what we'll do: while those documents are being distributed, if anyone urgently needs to step out for personal reasons, feel free to do so.

Then, Representative, let's start again from the beginning.

(Rep. Lee Yong-woo) Is the screen not showing over there?

(Chairperson Choi Min-hee) If looking from the side, it doesn't show well. So please wait a moment. We'll recess for five minutes. Everyone can use the restroom, and Representative, since we've paused, let's restart from the 10-minute mark. Because it was interrupted.

(Rep. Lee Yong-woo) Okay.

(Chairperson Choi Min-hee) We'll take a short recess and resume in 10 minutes. This meeting is now in recess.

(Chairperson Choi Min-hee) We will resume the hearing. I will give Executive Secretary Kim Hyun 2 minutes.

(Rep. Kim Hyun) Coupang made its own announcement mentioning 3,000 cases, and according to media reports, digital forensics were conducted through three major U.S. companies; and the digital forensics were conducted through these three companies: Mandiant, Palo Alto Networks, and Ernst & Young. So, if you commissioned digital forensics to these three companies, regarding the request or the results that...

(Chairperson Choi Min-hee) The contracts. The results. Rep. Hwang Jeong-ah requested those earlier.

(Rep. Kim Hyun) You requested these three? The three companies?

(Rep. Hwang Jeong-ah) (Mic off) Those who did the forensics?

(Rep. Kim Hyun) Yes, the three companies.

(Rep. Hwang Jeong-ah) (Mic off) No, not those.

(Rep. Kim Hyun) They were something different?

(Rep. Hwang Jeong-ah) (Mic off) Yes.

(Rep. Kim Hyun) I meant the forensics companies.

(Rep. Hwang Jeong-ah) (Mic off) What I requested earlier concerns the laptop, the one submitted as evidence that they claimed to have sent for forensics...

(Chairperson Choi Min-hee) Forensics.

(Rep. Kim Hyun) I mean those three.

(Rep. Hwang Jeong-ah) (Mic off) I asked for the contracts with them. They claimed they did not send the laptop, so I additionally.....

(Rep. Kim Hyun) So, the companies specified are Mandiant, Palo Alto Networks, and then Ernst & Young, these three. Please check things with these three companies.

(Chairperson Choi Min-hee) We sent emails earlier, didn't we? Did we get a reply to the emails? We sent emails to those companies. Did we get a reply?

(Park Se-kyeong from the gallery: "I will check that.")

(Chairperson Choi Min-hee) First, earlier, Rep. Hwang Jeong-ah asked for information about the process if the laptop was forensically analyzed, and asked for contracts or things like that from there, but actually, the laptop is in a state where forensics is impossible.

(Rep. Hwang Jeong-ah) (Mic off) They said it'd be difficult, so I asked for all other relevant items...

(Chairperson Choi Min-hee) It fell into the water, was split in half, and currently the police are conducting forensics, right? So, apart from that, what Executive Secretary Kim Hyun is talking about now is different.

(Rep. Kim Hyun) They claim it's 3,000 people.....

(Chairperson Choi Min-hee) In the process of extraction, four hard disks and SSDs.

(Rep. Hwang Jeong-ah) (Mic off) So, I revised my request for materials to everything else other than the laptop: HDDs and SSDs that came out.

(Rep. Kim Hyun) (inaudible) So, going one step further, on top of those, the three companies; since they asked the three U.S. companies do the digital forensics.

(Rep. Hwang Jeong-ah) (mic off) Yes.

(Chairperson Choi Min-hee) Please turn this up. I am not sure they understood. We are... well, this is really... communication is not working well. VP Lee Jae-gul, did you understand?

(VP Lee Jae-gul) I couldn't hear it.

(Rep. Kim Hyun) You couldn't hear?

(VP Lee Jae-gul) The microphone was off...

(Rep. Kim Hyun) Did you hear us?

(Chairperson Choi Min-hee) Now, ok he says he couldn't hear. Coupang, the Coupang side.

(VP Lee Jae-gul) I could only hear you, Chairperson, but I couldn't hear from over here when the other lawmakers were speaking.

(Rep. Hwang Jeong-ah) I'll modify my request for data submission.

(Chairperson Choi Min-hee) Yes. Then, Rep. Hwang Jeong-ah, will you modify your request for data submission?

(Rep. Hwang Jeong-ah) (mic off) Yes.

(Chairperson Choi Min-hee) Please modify it. And Executive Secretary Kim Hyun, the point is that the perpetrator accessed 33.7 million people's data but saved and then deleted only about 3,000 records. That's the point, right? Then, during this process, the PC must have been forensically analyzed, right? So, if forensics were done, you must have signed forensic contracts with those three U.S. companies, right? And there must be forensic results, right? She asked for this data; did the MSIT receive it by any chance?

(Deputy Prime Minister Bae) We did not receive it.

(Chairperson Choi Min-hee) Then, if you didn't receive it, is it at the National Police Agency? This data? The data must have arrived, the forensic data. Anyone who can answer from the National Police Agency?

(NPA Acting Commissioner General Yoo) The National Police Agency has secured the seized items, which are two hard disks, two SSDs, and one laptop.

(Chairperson Choi Min-hee) Did you receive the forensic results?

(NPA Acting Commissioner General Yoo) No, we only received the seized items.

(Chairperson Choi Min-hee) What is this? They just selectively got seized, right? They are selectively making an announcement; that's what's happening now. So please provide the related materials. Rep. Hwang Jeong-ah, please modify your request for data. Give her 2 minutes.

(Rep. Hwang Jeong-ah) Should I speak now or in writing?

(Chairperson Choi Min-hee) Do it now.

(Rep. Hwang Jeong-ah) Earlier, I mentioned the laptop and all forensic data from the laptop—if the laptop had been forensically analyzed, all contract documents with the companies you signed the contracts with and the raw data obtained from the forensic analysis of the laptop. But Coupang replied that the laptop itself had never been forensically analyzed. So, there were other things in the canvas bag at that time. The two hard disks and two or four—not sure—SSDs, and I heard that forensics were conducted on all of the SSDs. I request that forensic data, the raw data, and the copies of all the contracts with the three companies that performed the forensics.

(Chairperson Choi Min-hee) Where is CEO Rogers at? Whom should I speak to for these, VP Lee Jae-gul?

(Rep. Hwang Jeong-ah) Shouldn't we be asking CEO Rogers?

(Chairperson Choi Min-hee) VP Lee Jae-gul and Mr. Rogers, please provide them.

(Coupang CEO Harold Rogers) (Original statement) We'll take a look at that. The JIT has all of the forensic data. We've shared all of it with them. They have all of it. I'm not sure why they are not sharing it with the Korean people. Why are they not sharing the truth with the Korean people? They have all of the data. We gave it to them on the 23rd, which is now almost a week ago, and the national agency that we worked with has had the data for more than two weeks. No one's sharing this information with the Korean people. Why are you hiding information from the Korean people? That is what I don't understand.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I will look into it. The JIT has all the forensic data. We submitted it. I do not understand why the JIT is not sharing it with the Korean people, why they are not sharing the truth with the Korean people. We delivered it on the 23rd. It has been almost a week. And I think the National Assembly would have also received this information, so why are they not sharing it with the Korean people? (Interrupted) I do not understand.

(Chairperson Choi Min-hee) You said the National Assembly received it? What do you mean?

(Coupang CEO Harold Rogers) (Original statement) I'm saying the JIT received all of the forensic data. The Joint Investigation Task Force.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The JIT received all forensic data. The joint investigation team received all forensic data.

(Chairperson Choi Min-hee) Minister of Science and ICT, you said you didn't receive it. Deputy Prime Minister, he says you received everything? It is right in front of you now.

(Coupang CEO Harold Rogers) (Original statement) They've received all the forensic data. The forensic data has been shared with all of them. They have the hard drives, except for the Macbook, which only the Police have. My understanding is that they were given forensic... they requested to receive forensic images of the hard drives.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) They received all forensic data. They received all hard drives. The police have the MacBook. As I understand, we were requested to provide forensic images of the hard drives, and we provided them.

(Chairperson Choi Min-hee) You can stop right there. Fine. Vice Minister Ryu Jae-myung, did you receive all the forensic data? The person who just came in, please answer. Identify yourself. Just answer directly. Who are you?

(MSIT Director General Yim of Information Security Policy) I'm Director General of Information Security and Network Policy at the Ministry of Science and ICT. To be precise, we have not received the forensic results. However, we do have the hard drives and are doing forensics on them.

(Chairperson Choi Min-hee) What is this now? Since this is very simple, let's address it before moving on. We have confirmed that regarding the two hard disks and SSDs—a total of four—the police have them and the public-private joint investigation team also has them. But the point is that you did not receive the data of the forensic analysis that Coupang performed independently through those three U.S. companies, right?

(MSIT Director General Yim of Information Security Policy) Yes, that is correct.

(Chairperson Choi Min-hee) They say they didn't receive it, but you say you gave it. Who did you give it to? Who did you give it to?

(Coupang CEO Harold Rogers) (Original statement) We've been providing forensic analysis from these three firms to the joint investigation task force.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We delivered the forensic analysis results to the joint investigation team through the three companies.

(Chairperson Choi Min-hee) Hold on. Your statement changed again. What changed is this: earlier, he said he gave it, then he said he delivered it to the public-private joint investigation team through the three companies. Has contact been made with those three companies?

(MSIT Director General Yim of Information Security Policy) We have had no contact whatsoever so far.

(Chairperson Choi Min-hee) No contact. The one who changed his statement is CEO Rogers.

(Coupang CEO Harold Rogers) (Original statement) (Inaudible) ...these firms. We have provided their forensic analysis to the joint investigation task force. We provided it to them. We provided it to them on a rolling basis as...(Interrupted).

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We provided their forensic analysis results to the joint investigation team.

(Chairperson Choi Min-hee) No, who are "they"? Who are they, the three companies, right? He says he didn't receive them, so why do you say you provided them? And you said you delivered them through the three companies, but there was no contact with the three companies. My office called them and they didn't answer, so we sent emails, but we haven't received a reply from those companies. I'm telling you, we are not in the 70s. My office also has many people fluent in English who studied in that country for 7 or 8 years.

(Coupang CEO Harold Rogers) (Original statement) Yes, we have been providing the forensic analysis to (Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We provided the forensic data.

(Chairperson Choi Min-hee) They didn't receive it, so why do you keep saying you sent it!

(Coupang CEO Harold Rogers) (Original statement) (Inaudible) ...to the joint investigation task force. They have the analysis. They have the data. Why are they not sharing it? Why are they not sharing it with the Korean people? They have had it for over a week, is my understanding.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We provided it to the joint investigation team. They have the data. Why are they not sharing it with the Korean people? I understand it has been over a week.

(Chairperson Choi Min-hee) No, stop repeating that like a parrot. You didn't receive it, right? What shall we do with this situation? And again. Fine, I don't know if they received it or not, but give it to the National Assembly. Submit it to the National Assembly.

(Rep. Kim Hyun) We haven't received it.

(Chairperson Choi Min-hee) Submit it to the National Assembly. Earlier you said you submitted it to the National Assembly. We didn't receive it.

(Coupang CEO Harold Rogers) (Original statement) I never said I provided anything to the National Assembly.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I did not say we submitted it to the National Assembly.

(Chairperson Choi Min-hee) You said that earlier, that the National Assembly is also receiving it.

(Coupang CEO Harold Rogers) (Original statement) (Inaudible)... joint investigation task force. We've provided it (Inaudible)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We submitted it to the joint investigation team.

(Chairperson Choi Min-hee) No, don't just submit it there, give it to me now, to the Chairperson. Give it, now.

Get it, get it. Give it to the Chairperson.

He asked why they aren't disclosing it to the public when they have it. Give it to me. I will disclose it immediately.

(Coupang CEO Harold Rogers) (Original statement) You want us to provide to the National Assembly everything we've already provided to the joint investigation task force? (Audio overlap) We'll happily provide that. Everything we provided to them, we'll provide to you, of course.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Do you want us to submit it to the National Assembly? We already submitted everything to the joint investigation team. (Audio overlap)

(Chairperson Choi Min-hee) To me.

(Chairperson Choi Min-hee) No, please submit it to the National Assembly. Since they say they didn't receive it. Wait a minute, wait a minute.

(Chairperson Choi Min-hee) Now CEO Rogers says he submitted it to the public-private joint investigation team, but his statement changed in the middle. He said: he submitted it through the companies. We all heard how it changed.

But now, the public-private joint investigation team says they didn't receive it.

(Coupang CEO Harold Rogers) (Original statement) That's mistranslation (Interrupted)
Interpretation not provided

(Chairperson Choi Min-hee) Wait a minute! Listen to me! Since the public-private joint investigation team says they didn't receive it, what is the need for a truth game here about whether they received it or not? Since you are ready and willing to submit, please submit it to us. Submit it to me, and I will make it public. Please submit it directly to the National Assembly.

(Coupang CEO Harold Rogers) (Original statement) I don't know what you are hearing through the translation, but I have been very clear. The hard drives were imaged; the joint investigation task force requested them; they didn't request them, we just provided them to them on the 23rd, over a week ago. We have provided them with forensic analysis that has been performed (Audio overlap) on a rolling basis. I will happily provide all of that to the...(Interrupted)

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not know how you are hearing the interpretation, but I spoke clearly. We imaged the hard drives and submitted them on the 23rd upon the request of the joint investigation team. And we submitted the forensic analysis results together.

(Chairperson Choi Min-hee) Wait a minute. Wait a minute.

(Chairperson Choi Min-hee) Don't repeat that story now. I acknowledge. I said I won't play a truth game over whether it was received or not. Give it to me. What is there that you can't give? Forensic results, Coupang has them right now, right?

(Chairperson Choi Min-hee) You have them, right? Does Coupang have them or not?

(Coupang CEO Harold Rogers) (Original statement) We have forensic analysis (Interrupted)
Interpretation not provided

(Chairperson Choi Min-hee) Do you have the data or not?

(Coupang CEO Harold Rogers) (Original statement) We have been providing (Interrupted)
Interpretation not provided

(Chairperson Choi Min-hee) Does Coupang also have the forensic data currently or not?

(Coupang CEO Harold Rogers) (Original statement) We have forensic analysis that we have provided to the JIT, to the joint investigation task force, along with the images of the hard drives. And we'll happily provide that to the National Assembly as well.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We have the forensic analysis results and submitted them to the joint investigation team along with hard drive imaging. We are willing to provide them to the National Assembly as well.

(Chairperson Choi Min-hee) Yes, do it now. We won't take the hard disks or SSDs—those were received, right, Deputy Prime Minister?

(Deputy Prime Minister Bae) Yes, we received them and conducted forensic analysis.

(Chairperson Choi Min-hee) Police received them too, correct?

(NPA Acting Commissioner General Yoo) Yes, we did.

(Chairperson Choi Min-hee) We don't need those. What we need now is the forensic results, where statements are now conflicting. Give them to us. There's no reason you can't. Hand them over. Why do we have to play ping-pong over this?

VP Lee Jae-gul, please come forward. This is a ridiculous situation—just give them, because you said you can provide them to the National Assembly. The forensic results you said you submitted to the joint investigation team—give those to the National Assembly.

(VP Lee Jae-gul) Yes, I will provide the materials we provided to the joint investigation team.

(Chairperson Choi Min-hee) You need to be precise. We said we don't need the four items including hard disks and SSDs. What we want is the results of the forensics that you said you ran through the U.S. companies. Provide that.

(VP Lee Jae-gul) Yes, to the joint investigation team (Interrupted)

(Chairperson Choi Min-hee) Why is there so much talking? Honestly. I'm trying to be patient, but how much more patience do I need? No more excuses. Provide the forensic results you said you

submitted to the joint investigation team—to the National Assembly as well. Not a summary, the forensic data. I'm not asking for a summary. Give us everything.

(VP Lee Jae-gul) We will provide exactly what was submitted.

(Chairperson Choi Min-hee) Yes, submit it directly to the National Assembly. You may step down.

(MSIT Vice Minister Ryu) Chairperson, if you allow me, our joint investigation team communicates daily with the Coupang team. It might be best if the deputy head of the joint investigation team could provide an explanation on the exact materials received from Coupang.

(Chairperson Choi Min-hee) Go ahead. Please state your name and title before speaking.

(Deputy Head of the Public-Private Joint Investigation Team) I am Lee Dong-gun, Deputy Head of the Joint Investigation Team.

On December 23, Coupang briefed us with what they called an internal report. The content included details about commissioning forensic analysis to security firms overseas and statements obtained in China. It was a PowerPoint file. Regarding that, we requested detailed data—meaning the details of forensic analysis conducted by those security firms. However, we haven't received those materials. There must be data the security firms used for forensic analysis as the Chairperson mentioned. And Coupang must have used the information to prepare its own report. We asked for the obvious underlying data and longitudinal materials and have not received them yet. As mentioned earlier, we did receive the hard disks and SSDs. That part is correct—we received the copies of them.

(Chairperson Choi Min-hee) So they submitted a report they edited themselves, but what we're asking for is the entire raw data. Now it's clear, right? Please take this. My throat hurts; I can't keep going.

Thank you for waiting. Rep. Lee Yong-woo, please proceed with your questions.

(Rep. Lee Yong-woo) This is Lee Yong-woo from Incheon Seo-gu Eul. Let me start again.

(Referring to the screen)

CEO Park Dae-jun, you said Kim Bom-suk's younger brother, Kim Yoo-suk, is currently serving as a Vice President at Coupang's parent company, correct?

(Former CEO Park Dae-jun) Yes, that's correct.

(Rep. Lee Yong-woo) What exactly are his responsibilities? Please state them clearly.

(Former CEO Park Dae-jun) As far as I know, he is one of the leaders responsible for logistics and delivery operations.

(Rep. Lee Yong-woo) What's his approximate annual salary?

(Former CEO Park Dae-jun) I am not aware of his annual salary.

(Rep. Lee Yong-woo) Approximately?

(Former CEO Park Dae-jun) I really have no way of knowing that, Representative Lee.

(Rep. Lee Yong-woo) You've just received the emails, right? CEO Rogers and Mr. Park, the materials?

(Former CEO Park Dae-jun) Yes, I have.

(Rep. Lee Yong-woo) CEO Rogers, your email address is hlrogers@coupang.com, correct?

(Coupang CEO Harold Rogers) (Original statement) Correct.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Yes, that's correct.

(Rep. Lee Yong-woo) Inside that email, there's content in English—sent Friday, October 23, 2020, at 12:22. You sent that email, correct?

(Coupang CEO Harold Rogers) (Original statement) This has not been authenticated. This was provided by an employee who was terminated for workplace harassment. It is very easy to falsify. And I have no way of knowing if this is an email that I sent.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) This was submitted by an employee who was terminated and the employee was terminated for workplace harassment. The authenticity of that email has not been verified. Currently, emails can be forged easily.

(Chairperson Choi Min-hee) Now, what is he.....

(Rep. Lee Yong-woo) CEO Park Dae-jun, when you look at CCTV footage of Mr. Jang Deok-jun, you see him running around while working and pushing carts that are very heavy. You're aware of that, correct?

(Former CEO Park Dae-jun) Yes, I saw it today as well.

(Rep. Lee Yong-woo) You know that, right?

(Former CEO Park Dae-jun) Yes.

(Rep. Lee Yong-woo) Speak up, please.

(Former CEO Park Dae-jun) Yes, I saw it in today's video too.

(Rep. Lee Yong-woo) And another email—earlier, you saw the ones “From DJ” and “From Robert.” This email's content involves the Legal team asking those in the position for opinions about submitting pedometer data, and this email was sent as a reply. The intent was this: while the bereaved family claimed that the worker was running around so much that he logged about 50,000 steps a day, in order to counter that claim, other workers were given loose, lighter tasks, and then their steps were tracked with pedometers. The Legal team said that the results came out to be about 20,000 steps and they asked if they could submit this data since the Ministry of Labor requested it, and these were the feedback. Regardless of whether the content was reasonable or not, you sent that email, correct?

(Former CEO Park Dae-jun) Representative...

(Rep. Lee Yong-woo) Correct?

(Former CEO Park Dae-jun) No, I don't actually recall any email with that intent. It was five years ago. I have no memory of suggesting such manipulation, and I believe I had no reason for doing that...

(Rep. Lee Yong-woo) I'm asking if the email is yours—yes or no?

(Former CEO Park Dae-jun) I don't remember the email itself. I read the content now—yes, Rep., I read it.

(Rep. Lee Yong-woo) Then do you remember exchanging opinions about whether to submit pedometer data back then? It's striking—I've handled countless industrial accident cases, but I've never heard of pedometers being used.

(Former CEO Park Dae-jun) Pedometers...

(Rep. Lee Yong-woo) Do you remember or not? Just answer that.

(Former CEO Park Dae-jun) I remember the mention of 50,000 steps on a pedometer, Representative.

(Rep. Lee Yong-woo) You do?

(Former CEO Park Dae-jun) Yes.

(Rep. Lee Yong-woo) Now, NPA Acting Commissioner General Yoo, please stand over there near Coupang's side for now.

One more thing to confirm with Coupang: earlier in the morning, I presented a press release issued by Coupang at the time of Mr. Jang Deok-jun's death from an industrial accident. It stated that the deceased's average weekly working hours were 44 pursuant to the Labor Standards Act. At maximum, he worked 52.5 hours per week.

But the official ruling issued by the Korea Workers' Compensation and Welfare Service after an official investigation shows that "in the week before the onset of the illness, he worked 62 hours and 10 minutes, and over the 12 weeks prior, his average was 58 hours and 38 minutes per week." The ruling also states: "he had been driven into overwork, with two aggravating workload factors identified: shift work and high physical intensity." Minister Kim of Employment and Labor, have you confirmed these details?

(MOEL Minister Kim) Yes, I'm aware of them.

(Rep. Lee Yong-woo) The difference from Coupang's press release is striking.

(MOEL Minister Kim) There are differences.

(Rep. Lee Yong-woo) According to the actual guidelines of the Ministry of Employment and Labor, the standard for death from overwork is an average of 60 hours per week during the 12 weeks prior to onset.

(MOEL Minister Kim) That's correct.

(Rep. Lee Yong-woo) But the shift work I pointed out and the physically demanding tasks—those are among the factors that aggravate workload. So if there are two of those factors, even exceeding 40 hours a week could still qualify as death from overwork. Is that what the guideline says?

(MOEL Minister Kim) Even having just one of those factors significantly increases the likelihood of getting recognized as death from overwork.

(Rep. Lee Yong-woo) But this content is vastly different from Coupang's press release. I see this as

clear evidence of exposure to severe overwork—and that being the direct cause of death. CEO Park Dae-jun, what's your view on that?

(Former CEO Park Dae-jun) I have absolutely no objection regarding Jang Deok-jun's industrial accident, Representative.

(Rep. Lee Yong-woo) So what do you think about this content? Do you agree, or do you still disagree?

(Former CEO Park Dae-jun) Exactly about which part...

(Rep. Lee Yong-woo) About the details of the industrial accident ruling. I have so far...

(Former CEO Park Dae-jun) I have no objection regarding the industrial accident ruling, Representative.

(Rep. Lee Yong-woo) NPA Acting Commissioner General Yoo, are you aware that, in connection with this industrial accident case, a complaint has been filed for occupational negligence resulting in death and for incitement to destroy evidence?

(NPA Acting Commissioner General Yoo) Yes, I am.

(Rep. Lee Yong-woo) Have Kim Bom-suk and the accomplices been booked on the charges?

(NPA Acting Commissioner General Yoo) A criminal complaint was filed, so now...

(Rep. Lee Yong-woo) Have they been booked?

(NPA Acting Commissioner General Yoo) Once a complaint is filed, they automatically get booked.

(Rep. Lee Yong-woo) Please state who have been booked and are now suspects. Who are they?

(NPA Acting Commissioner General Yoo) Kim Bom-suk and... due to privacy concerns, we'll refer to them as Kim Bom-suk and one additional individual.

(Rep. Lee Yong-woo) As I said just now, he was under extreme overwork, and Coupang failed to implement any separate safety or health measures or other health-protective measures. I believe this clearly constitutes occupational negligence. Since this is clearly a matter that can constitute involuntary manslaughter by occupational negligence, you must conduct a thorough and swift investigation.

(NPA Acting Commissioner General Yoo) We will investigate thoroughly and in accordance with the law and proper procedures.

(Rep. Lee Yong-woo) If you review the questions and materials from this morning and afternoon, the details establishing the principal offenders of destruction of evidence and incitement to destroy evidence will become clear. This also requires a strict and swift investigation.

(NPA Acting Commissioner General Yoo) We will ensure a thorough investigation, covering those aspects as well.

(Rep. Lee Yong-woo) Now, please take a look at the next slide. If you review the ranking of companies

with industrial accidents from January 2020 to September 2025, you'll see that Coupang ranks first with 9,915 cases, and third place is Coupang Fulfillment Services, which is a Coupang subsidiary. Including Coupang CLS, which handles delivery and is another Coupang subsidiary, the total number of industrial accidents over the past five years reaches 16,938 cases. I think this is not a shopping paradise—it's a disaster zone for workers. Minister, wouldn't you agree this is an extremely unusual workplace?

(MOEL Minister Kim) Yes, this is appalling.

(Rep. Lee Yong-woo) Now, let's look at the next slide. At this workplace, there are cases where workers suffered industrial accidents and applied for compensation to the Korea Workers' Compensation and Welfare Service, yet as many as 3,890 cases were found where industrial accident investigation reports were not submitted.

How did we confirm this? We obtained all relevant data for this period and requested the Korea Workers' Compensation and Welfare Service to conduct a cross-check, and this was the result. In other words, while workers filed for compensation, Coupang failed to submit investigation reports, which are legally required, in nearly 4,000 cases. I see this as decisive and direct evidence of industrial accident concealment. And if accidents are concealed, that constitutes a criminal offense under the Occupational Safety and Health Act, correct, Minister?

(MOEL Minister Kim) I believe concealing industrial accidents is no different from a hit-and-run in a traffic accident.

(Rep. Lee Yong-woo) There are penalty provisions for this.

(MOEL Minister Kim) This constitutes a criminal charge.

(Rep. Lee Yong-woo) I understand this same matter has also been reported to the Ministry of Labor, and it requires a strict and swift investigation. In fact, companies are obligated to report detailed industrial accident information, and failure to do so is subject to administrative fines. Based on our calculations, the unreported cases could result in administrative fines of approximately KRW 58.3 billion. Minister, all of these aspects must be thoroughly verified and addressed.

(MOEL Minister Kim) Yes, we will gather all relevant data from the Workers' Compensation and Welfare Service, the National Health Insurance Service, and other sources, to investigate.

(Rep. Lee Yong-woo) Among the cases where compensation was approved without an industrial accident investigation report, there are even instances involving fatalities. This clearly appears to be concealment of industrial accidents. It means they deliberately withheld these reports to hide the accidents. Please make sure this is thoroughly verified.

Please pause the time for a moment. VP Lee Jae-gul, please come forward. Please come to the Coupang side podium. Please pass the microphone. You know the late Choi Seong-rak who worked at Coupang Fulfillment Services and died of myocardial infarction on April 26, 2021, right? It was accepted as an industrial accident.

Regarding this, Coupang is filing a lawsuit to cancel the case that was even approved as an industrial accident. It is still ongoing. You are aware of this, right?

(VP Lee Jae-gul) I understand it is currently ongoing.

(Rep. Lee Yong-woo) While I've seen workers filing lawsuits to cancel a decision when an industrial accident is disapproved, does it make sense for this large corporation Coupang, a company claiming

to be a global enterprise, to file a lawsuit to cancel a case where the industrial accident was approved? It won't even be legally acknowledged. Also, regarding these types of approved industrial accident cases, hasn't Coupang also filed audit requests to the Board of Audit and Inspection for 23 such cases? I've handled countless industrial accident cases during my time as a lawyer, but this is the first time I've heard of filing an audit request for approved industrial accident cases. It is an atrocious behavior, Coupang. Do you admit your wrongdoing?

(VP Lee Jae-gul) Since I am not in charge of industrial accidents, I do not know the exact details.

(Rep. Lee Yong-woo) I think this lawsuit seeking revocation of the industrial accident approval must be withdrawn immediately; what is your view? This amounts to killing the bereaved family twice.

(VP Lee Jae-gul) As I understand it, as for that lawsuit, it was initially not recognized as an industrial accident...

(Rep. Lee Yong-woo) Will you withdraw it or not?

(VP Lee Jae-gul) I understand the lawsuit started because it was later recognized as an industrial accident.

(Rep. Lee Yong-woo) Just answer whether you will withdraw it or not.

(VP Lee Jae-gul) We will go back, review thoroughly and contemplate on that.

(Rep. Lee Yong-woo) Why is Coupang the only company that repeatedly resorts to lawsuits or audit requests that other companies do not even pursue? This is the reason why your public apologies and the likes are not trusted at all. These are anti-social lawsuits. If you have reflected on this and anticipated these questions, you should have brought an answer. What is there to review again? Do you think it will just end if you just dodge the rain? Answer right here. Is this kind of lawsuit appropriate or not?

(VP Lee Jae-gul) Since industrial accidents are not my area of responsibility, I cannot comment on that.

(Rep. Lee Yong-woo) (Mic off) Legal affairs are your responsibility! Answer from the perspective of the head of legal affairs, then. Is this appropriate or not?

(VP Lee Jae-gul) Since I do not know the details of the lawsuit, I cannot comment at the moment.

(Rep. Lee Yong-woo) (Mic off) A worker died after suffering from grueling labor at a Coupang worksite. As if that wasn't unjust enough, after a long, grueling struggle to finally get industrial accident compensation approved, the company's trying to get that approval overturned, for years... Isn't that just too much? CEO Rogers, You've heard the details, so give us an answer.

(Coupang CEO Harold Rogers) (Original statement) We'll look at it. My understanding is that the legal standard needs to be met, and we generally follow the laws. I believe that's why the court system exists. Are you telling us that we shouldn't be able to use the court system? Maybe I misunderstand it.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We will look into it. We believe the legal standards need to be met, and we are following the law. That is why courts exist. Are you saying we should not use the court system? I may have misunderstood.

(Rep. Lee Yong-woo) (Mic off) CEO Rogers, let me explain the law to you.

(Chairperson Choi Min-hee) Give him 1 more minute.

(Rep. Lee Yong-woo) The courts have consistently refused to recognize such claims. That is not the purpose of the Industrial Accident Compensation Insurance Act. You seem unfamiliar with Korean law, but you must not do things like this. Audit requests to the Board of Audit and Inspection are not there for you to do things like this. It looks inappropriate; will you rectify these parts?

(Coupang CEO Harold Rogers) (Original statement) So we shouldn't hold the government to follow the law? Is that what you are telling me? I'm sorry, but I'm a U.S. lawyer, my understanding is that the courts are used to make sure the government follows the law. And that's our right as a private company. Are you telling me that I- we do not have that right in Korea? I don't know the specifics of this case, but it seems problematic to me from a legal perspective.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Then are you saying we should not hold the government accountable for not following the law? As I understand it, since I am a lawyer, we use the court system to check whether the law is being followed or not. Then are you saying that as a corporation, we do not have the right to use the court system in Korea to verify whether the law is being enforced correctly? Although we do not know the specific case, I think what you are saying now is legally incorrect.

(Rep. Lee Yong-woo) CEO Rogers, that very wrong perception and attitude is what incites the public rage of the South Korean people. It seems you haven't even grasped the situation yet. You need to take action to withdraw this immediately.

(Coupang CEO Harold Rogers) (Original statement) We will exercise all the legal rights that we have under Korean law. That is our right.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) We will exercise all the rights we have regarding Korean law. This is our right.

(Chairperson Choi Min-hee) Minister of Employment and Labor, why don't you provide your input regarding this.

(MOEL Minister Kim) In this case, death from overwork is an occupational disease. If Coupang files a lawsuit regarding an occupational disease, there is no legal interest for the company in bringing the lawsuit. For example, if the company... for instance, legal interest in bringing a lawsuit would be, increased approval rate of industrial accidents leading to a higher insurance contribution rate the company has to bear, so the company has to have some kind of legal interest in the lawsuit. But since cases related to disease do not affect the calculation of the company's industrial accident insurance rate at all, such cases were all dismissed on the grounds of lack of legal interest; in my view as well, it is an unreasonable lawsuit that also lacks legal interest. That is all.

(Chairperson Choi Min-hee) Such attitude is the reason why we established the principle that in cases of death related to disease, it would not raise the industrial accident insurance contribution rate. Yet they are behaving like that.

Rep. Hwang Jeong-ah...

(MOEL Minister Kim) It appears that this is a result of not properly understanding the purpose of the industrial accident compensation insurance system.

(Chairperson Choi Min-hee) Okay.

Earlier, the Coupang Labor Union... you got up and sat back down, right? Did you have something to say?

(Chairperson of the Coupang Division of the Delivery Workers' Union) It's not that. Regarding the newly discovered material mentioned earlier... the material Rep. Lee Yong-woo showed, we wanted to verify it accurately because it seems to be the material we are also unaware of, so we wanted to see it to discuss a quick response.

(Chairperson Choi Min-hee) Then, Rep. Lee Yong-woo, you can provide that material, right? Please give it to him now.

(Rep. Kim Hyun) Just a moment.

(Chairperson Choi Min-hee) I will give you 2 minutes.

(Rep. Kim Hyun) No, what I'm saying is "Coupang, the authentication code for login is 966975." I received a text message. "Coupang, please ignore text messages with an authentication code that you did not request. Please do not share the code with others." What is this? Is this a hacking attempt, or what? I received this; it's a text from Coupang. Please check if Coupang sent a login authentication code or a message like this.

(Chairperson Choi Min-hee) Did you send it?

(Rep. Kim Hyun) Is there anything you sent to Coupang members, just now?

(Chairperson Choi Min-hee) Did you send it, CEO Rogers?

(Coupang CEO Harold Rogers) (Original statement) I'm not aware of a text message being sent. I've been at this hearing all day. I don't know.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not know if such a text message was sent. I have been at the hearing all day today. I do not know.

(Rep. Kim Hyun) No, I mean I just.....

(Chairperson Choi Min-hee) Should we check? Take it now and check.

(Rep. Kim Hyun) Okay, I will send it over.

(Chairperson Choi Min-hee) I will check. Rep. Hwang Jeong-ah, you may proceed.

(Rep. Hwang Jeong-ah) Today, Coupang's fake apologies and sham compensation plans have been repeatedly pointed out during this hearing, and the public will deliver a firm judgment on this disgraceful company.

Deputy Prime Minister Bae, PIPC Chairperson Song Kyung-hee, (looking at the screen) while 33.7 million records of account information were leaked, the attached personal information records amount to 700 million. So this is not a 33 million-record leak—it's a leak incident involving 120 million addresses, 560 million order details, and 33 million email IDs. In total, over 700 million won of personal information. I believe we should re-name this incident as a 700-million-record data leak. What do you think?

(Deputy Prime Minister Bae) The joint investigation team is currently conducting additional investigations beyond just emails and names. We will make sure to quickly produce results from the investigations and share them with you as soon as possible.

(Rep. Hwang Jeong-ah) PIPC Chairperson Song, don't you think renaming it is necessary?

(PIPC Chairperson Song) I believe we should investigate thoroughly and may need to assign a new name that accurately reflects the facts.

(Rep. Hwang Jeong-ah) We must firmly stop Coupang's intention to conceal evidence, destroy evidence, contaminate testimony, and downplay the situation. It seems the government should first clearly redefine the number of leaked records.

Deputy Prime Minister Bae, we cannot simply sit back and listen to CEO Harold Rogers' wordplay. The Ministry of Science and ICT, the National Police Agency, and the National Intelligence Service all state they gave no instructions, yet Coupang twists words and claims, "We understood it as an instruction," using a fascinating logic.

Deputy Prime Minister, you did not give any instructions, correct?

(Deputy Prime Minister Bae) At the level of the joint investigation team, requests are sent for certain materials. We have not issued any instructions to conduct its own internal investigation or to announce its results.

(Rep. Hwang Jeong-ah) I believe CEO Rogers is committing perjury. What is your opinion on this?

(Deputy Prime Minister Bae) There seems to be a subtle difference in interpretation. If I may, I'd like to add a quick point. The 3,000 leaked records, the analysis results conducted through the three U.S. agencies were, indeed, carried out internally by Coupang. Among their findings, "it was handled by a single individual," and "everything else other than the 3,000 records was deleted on November 29"; all these claims need to be thoroughly investigated. We cannot simply take their word for it. In fact, deleted data can be restored from the hard drives, and it may also be stored in the cloud or elsewhere. Every possibility must be examined. I believe the results of such a comprehensive investigation should have been secured when they made the announcement.

(Rep. Hwang Jeong-ah) That is correct. I asked CEO Harold Rogers about the investigation, the self-investigation, earlier this morning, and he clearly stated that there were instructions from the government, right? You said it, specifically mentioning the NIS. So, the NIS has released a statement. *(Holding up a document)* The NIS announced that they never gave such instructions. The NIS fact-checked every claim like this. They fact-checked and sent everything within a few hours. This is the NIS's position:

"The NIS has never given any instruction or order. We never instructed to contact the suspect. We have evidence that Coupang had its own intention to contact the suspect even before its first contact with the NIS. The NIS did not instruct the forensic analysis of the hard drives. Coupang had already acquired forensic images even before the NIS knew about the hard drives." This is the NIS's position. Yet, how can they be so brazen as to try to defy the government authority of the Republic of Korea, acting presumptuously and completely ignoring the country while spewing perjury? The NIS must have been so outraged that they requested the National Assembly to file a criminal complaint immediately. Chairperson, we must file a criminal complaint about this.

(Chairperson Choi Min-hee) Yes, we will do that.

(Rep. Hwang Jeong-ah) Once a complaint is filed, the investigative agency must also consider the

possibility of custodial investigation, NPA Acting Commissioner General Yoo Jae-sung.

(NPA Acting Commissioner General Yoo) Yes.

(Rep. Hwang Jeong-ah) Please warn that if the National Assembly files a complaint against CEO Harold Rogers under the Act on Testimony and Appraisal Before the National Assembly, etc., you will deal with it decisively.

(NPA Acting Commissioner General Yoo) Yes, we will investigate strictly according to law and principles.

(Rep. Hwang Jeong-ah) Also, regarding the perjury and the cover-up of deaths from overwork that are being revealed so clearly now, evidence has already been exposed to the whole world. I believe an immediate travel ban on CEO Harold Rogers is necessary; will you impose that?

(NPA Acting Commissioner General Yoo) We will proceed swiftly with that part as well, in accordance with laws and procedures.

(Rep. Hwang Jeong-ah) Yes, thank you.

CEO Harold Rogers, please stop committing perjury. You aren't a criminal organization; why are you trying to escape the situation with just lies? Furthermore, regarding Coupang's compensation plan announced yesterday. It seems more appropriate to call it a "smishing coupon" from a personal information-leaking criminal corporation. Regarding the compensation plan, doesn't one have to access Coupang and buy something to use the coupon? But how can people who have already left Coupang receive compensation with a coupon that can only be used on Coupang? There are not only those who left Coupang in anger over the personal information leak, but also people who withdrew long before the leak incident; are you telling them to sign up again to use the coupon? Answer me.

(Coupang CEO Harold Rogers) (Original statement) This is the compensation plan that we provided. It's 1.7 trillion Korean Won. We believe that it's unprecedented.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I understand that this compensation plan amounts to KRW 1.7 trillion, which is an unprecedented scale.

(Rep. Hwang Jeong-ah) Since you mentioned the compensation plan with a very precise figure, let me ask: out of the 33.7 million accounts, how many are withdrawn or dormant accounts? How many?

(Coupang CEO Harold Rogers) (Original statement) I don't know. I haven't looked at those numbers.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not know. I have not checked that figure.

(Rep. Hwang Jeong-ah) Is it some tens of thousands? No, just tell me the orders. Is it hundreds of thousands or millions? I don't need the exact number. You don't even know the orders?

(Coupang CEO Harold Rogers) (Original statement) I don't know.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not know.

(Rep. Hwang Jeong-ah) Hmm. You are a CEO who knows nothing. Without an accurate estimate, how did you come up with the compensation plan worth KRW 1.685 trillion? Without knowing how many members have left Coupang? Are you kidding me? How dare you play with numbers? Do you find the Republic of Korea that laughable? Coupang is deceiving us like no other. If you look closely at

Coupang's compensation plan, it seems designed purely to grab headlines and make a mockery of the public. Even if one rejoins Coupang, which has the most users and where personal information was leaked, they can only use KRW 5,000. It's hard to even buy a bowl of soup for KRW 5,000 outside. CEO Harold Rogers, was personal information leaked from Coupang Travel and R.Lux?

(Coupang CEO Harold Rogers) (Original statement) Customers of all of these services, it's their customers' accounts that were leaked.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Customer information for all these services was leaked.

(Rep. Hwang Jeong-ah) Was it leaked from Travel and R.Lux as well?

(Coupang CEO Harold Rogers) (Original statement) Coupang customers. Their data accounts, their customer accounts were leaked. There isn't a separate R.Lux customer account to my understanding.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) They are Coupang customers. Customer data of Coupang customers was leaked. There are no separate R.Lux customers.

(Rep. Hwang Jeong-ah) That means Travel and R.Lux were also affected.

(Coupang CEO Harold Rogers) (Original statement) Coupang customers. They're all Coupang customers.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) They are all Coupang customers.

(Rep. Hwang Jeong-ah) What is the proportion of users of Coupang Travel and R.Lux products compared to the number of Coupang users? Is it about 10%? Is it even 1%?

(Coupang CEO Harold Rogers) (Original statement) I don't know the percentage of people who use those services.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not know the percentage.

(Rep. Hwang Jeong-ah) Yes, you are a CEO who knows nothing. Officials from each government department attending this hearing, I think many would feel offended and not use the KRW 5,000 coupon offered as compensation. Please raise your hand if you think it's too good to waste and should be used at least once. Deputy Prime Minister Bae, would you use Coupang to use this KRW 5,000?

(Deputy Prime Minister Bae) I have no intention of using it.

(Rep. Hwang Jeong-ah) What about PIPC Chairperson Song?

(PIPC Chairperson Song) I too have no intention of using it.

(Rep. Hwang Jeong-ah) KFTC Chairperson Ju?

(KFTC Chairperson Ju) I too have no intention of using it, and I am a bit angry because it seems like they are trying to expand their business.

(Rep. Hwang Jeong-ah) Doesn't it hurt your pride to see Coupang announce this as compensation? It's infuriating to me.

CEO Harold Rogers, this is the reality Coupang faces in the Republic of Korea. Furthermore, since the

personal information leak incident and non-attendance at the National Assembly hearing, Coupang's credit card sales amount has plummeted by 30%. This is the result of Shinhan Card usage analysis by my office.

Sales amount plummets upon the announcement of the personal information leak, Bom Kim does not attend the hearing, evidence of covering up death from overwork surfaces again, and sales amount drops again. Although the figures might differ, you cannot deny that sales took a hit. CEO Harold Rogers, how much did Coupang's sales amount decrease after the personal information leak incident?

(Coupang CEO Harold Rogers) (Original statement) I don't know. (Audio overlap) I would have to take, I would have to take a look (Interrupted).

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not know.

(Rep. Hwang Jeong-ah) You probably don't know. I didn't think you would know. The reason Coupang issues these "smishing" coupons is as clear as day. Because sales were dropping, you hurriedly announced an apology and compensation as if you're under the gun, but even these are a fake apology and a fake compensation plan. You clearly plan to re-absorb customers who left, inflate sales figures, promote services no one knows about as a side benefit, and later argue in court that you provided compensation. How can you even speak of "compensation" when you've only done things that benefit Coupang? Isn't this at a level where Coupang has made a "Decision to Leave" South Korea and Bom Kim has decided to mock the Republic of Korea, mock its citizens, and loathe Korea? Do you think the Korean people will be fooled by such a transparent attempt to deceive? Where do you think you are, pulling such a ridiculous stunt?

CEO Harold Rogers, I asked you this last time: where is Chairman Bom Kim right now? I ask you again. Where is Chairman Bom Kim?

(Coupang CEO Harold Rogers) (Original statement) I don't understand why I get asked this question multiple times. I don't know his exact location. What I told you is that we report to him and the board on a regular basis.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I do not understand why I am being asked this question multiple times. I do not know his exact location. What I told you is that I report regularly to Mr. Bom Kim and the Board of Directors.

(Rep. Hwang Jeong-ah) Enough. Did Bom Kim instruct you to set up the compensation plan that way?

(Coupang CEO Harold Rogers) (Original statement) The compensation package was designed by multiple teams at Coupang Korea.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The compensation plan was drafted by various teams at Coupang Korea.

(Rep. Hwang Jeong-ah) I knew you would say that. In the United States, there is stern punishment for a mere corporation perverting the course of justice and undermining the integrity of an investigation. Last June, when Boeing released investigation results without authorization, the U.S. Department of Justice defined it as obstruction of justice and filed criminal charges. In this process, Boeing faced criminal fines... (Mic off) victim relief fund, mandatory safety system.....

(Chairperson Choi Min-hee) Give her one more minute.

(Rep. Hwang Jeong-ah) I am saying this because the Boeing case in June serves as a very good precedent. When the corporation released investigation results without authorization, what did the Department of Justice do? They called it obstruction of justice. They filed criminal charges, imposed

criminal fines, mandated a victim relief fund and safety systems, dealing a financial blow of around KRW 37 trillion.

The government shouldn't be "consulting" with Coupang. Shouldn't you launch a mandatory investigation? You must file a criminal complaint immediately for obstruction of official duties. You must request an investigation for destruction of evidence. I believe measures must be prepared to impose massive economic sanctions, including business suspension. Please provide an answer on how to protect the pride of our citizens. Should the Republic of Korea be victimized so helplessly? Please answer.

(Chairperson Choi Min-hee) You are asking the Deputy Prime Minister/Minister of Science and ICT, correct?

(Rep. Hwang Jeong-ah) Yes.

(Deputy Prime Minister Bae) We will mobilize all available resources at the pan-government task force level for the parts that the ministries need to investigate and the measures we need to take. Also, I would like to add comments to the part Rep. Hwang Jeong-ah just mentioned.

(Chairperson Choi Min-hee) Yes, please proceed.

(Deputy Prime Minister Bae) Coupang is claiming that according to U.S. law, the leak is not a material issue. However, they are doing business in Korea. In Korea, it is not just about the 30 million leaked records the suspect downloaded on the hard drives; anyway, a security breach has occurred. In addition to the breach, the suspect accessed the server and performed a primary leak of emails and names. Whether these were downloaded and then deleted or not, personal information has been leaked. Therefore, it is a violation of the Personal Information Protection Act as well. Furthermore, while they clearly claim only 3,000 records remain, there's also an expression "deletion." We need to verify if it refers to 33 million records or more. Coupang is clearly and continuously making incorrect statements regarding this part. I believe Coupang must clearly state its position on this.

(Chairperson Choi Min-hee) Do you think we can hear a clear position here and now?

(Deputy Prime Minister Bae) It seems impossible at the moment.

(Chairperson Choi Min-hee) Right now, we are witnessing a scene where people working under a "global ghost boss" have come to the National Assembly of the Republic of Korea to trample on the law and order of our nation. And our Assembly Members are in the process of uncovering their intention one by one. If we cannot uncover it here, we will conduct a National Assembly investigation and seek every possible means the National Assembly can take thereafter, and I believe the government will continue to establish justice for the Republic of Korea after that.

(Chairperson Choi Min-hee) Representative Kim Hyun, please proceed with your questioning.

(Rep. Kim Hyun) Please pull up the text message I received earlier. I need to confirm something.
(Referring to the screen)

This is a text message from Coupang that came to me just now: "an authentication code for login," and then... "[Coupang] Please ignore text messages with an authentication code that you did not request. Please do not share the code with others."

It reads like this. (Referring to the screen)

Coupang, I will give you time later, so please check this situation and tell me what is going on.

Earlier, regarding Kim Yoo-suk's position, Former CEO Park Dae-jun. Former CEO Park Dae-jun.

(Former CEO Park Dae-jun) Yes.

(Rep. Kim Hyun) You said this person is a Vice President, right? You said he is a Vice President. He is still a Vice President as of now, correct?

(Former CEO Park Dae-jun) Yes, that is my understanding.

(Rep. Kim Hyun) Earlier, Rogers said he was just an employee. Your statement is the correct one, right, Former CEO Park Dae-jun?

(Former CEO Park Dae-jun) Yes, his position is Vice President...

(Rep. Kim Hyun) His position is Vice President, right? Since 2019, or since when?

(Former CEO Park Dae-jun) I do not know exactly when he was promoted.

(Rep. Kim Hyun) You do not know since when?

Then, by any chance, do you remember a press release from Coupang in 2019? "Coupang is a good company. We are informing you about false rumors regarding Coupang. Coupang is a proud Korean company." Do you remember a press release of this nature being issued around 2019?

(Former CEO Park Dae-jun) I am sorry. I do not recall that at the moment.

(Rep. Kim Hyun) You should be able to verify it later if I show you the materials, right?

(Former CEO Park Dae-jun) Yes, I will check them later.

(Rep. Kim Hyun) Let me clarify them for you today. In this material, even at that time, Kim Yoo-suk was listed as an executive overseeing the Coupang delivery camp management department. In the 2019 press release. I will show you later.

And regarding the National Intelligence Service Act, VP Cho Yong-woo. Are you aware of Article 5 of the National Intelligence Service Act, "Request to State Agencies for Cooperation"? Article 5 of the National Intelligence Service Act, "Request to State Agencies for Cooperation," "The Director...

(VP Cho Yong-woo) I am not sure I am.

(Rep. Kim Hyun) For a former journalist... Then I will read it to you.

"If necessary for the performance of duties, the Director may request State agencies or other relevant agencies or organizations to cooperate or support, such as responding to a facts inquiry and submitting relevant materials. In such cases, the heads of the requested State agencies, etc. shall comply with such request unless there is a good reason for not doing so."

Next, "An employee may conduct an investigation through access to documents, sample collection, data submission request, statement request, etc." And then it mentions "cooperate with each other." Is this an "instruction"?

If Coupang received something from the NIS related to this mutual cooperation, is that an instruction? From Coupang's perspective? In the relationship with the National Intelligence Service. Answer as a journalist. As a former journalist. Is it an instruction or cooperation?

(VP Cho Yong-woo) In my personal opinion, it's something like cooperation for work... (Interrupted)

(Rep. Kim Hyun) It is cooperation, right? Then, isn't it true that Rogers' answer calling it an "instruction" was clearly an incorrect response?

(VP Cho Yong-woo) That part is seemingly different from my personal thoughts.

(Rep. Kim Hyun) Regardless. Based on the law. I am checking the facts. If it is cooperation based on Article 5, then it is cooperation, not an instruction. It is not right for Coupang to interpret it differently. For the CEO to do so.

(VP Cho Yong-woo) Yes, that is what I believe.

(Rep. Kim Hyun) Yes, indeed.

Now look. It is consumer deception under the guise of compensation; this is a point that has been discussed all day. The presentation deck... The one from a moment ago. They deceived customers calling it compensation. Several members have spoken about this today, so I will not add more.

Deception under the guise of compensation, KMCC Chairperson Kim.

(a material is pulled up on the screen)

(KMCC Chairperson Kim) Yes.

(Rep. Kim Hyun) The KMCC has sent a reply regarding whether this functions as substantive compensation to recover from personal information leak damage, or whether its primary purpose is to induce additional consumption of the company's own services and lock customers in, and whether it is viewed as a marketing tool.

Regarding this part, the KMCC staff is saying that the KMCC will also actively cooperate if necessary. Aren't users' rights and interests being violated right now? You should act proactively... not just "cooperate." Who are you saying you'll cooperate with? What is the KMCC's position? What role should the KMCC play regarding this act of deception under the guise of compensation for consumers today?

(KMCC Chairperson Kim) Yes, our staff understands that matters where consumer misunderstanding and deception occurred during the process of goods and services being provided online fall under the jurisdiction of the KFTC according to the Labeling and Advertising Act or the Electronic Commerce Act.

However, since the KMCC is also responsible for user protection related to the telecommunications business, we will strive to collaborate with the KFTC to find ways we can contribute in relation to these parts.

(Rep. Kim Hyun) Please bring up the PPT of the promotional activities on the Coupang website. This one.

If you look at this, Coupang is soliciting customers on the landing page by saying "Scratch the screen," and secondly, when you enter Coupang's homepage, a notice pops up saying "Additional information regarding the personal information leak incident and guidance on purchase vouchers." And "Click and check more details." So, what Coupang does is it tells you to check the link and says that "according to the investigation so far, 3,000 accounts were stored and these were also all deleted, and the stored customer information includes 2,609 shared entry access codes, but there is no payment information, login, or Personal Customs Clearance Codes, and no additional leaks like external transmission." I looked at this just now and I clicked it. I think that's why this text message came. Isn't this secondary damage?

(KMCC Chairperson Kim) We will investigate strictly whether this can constitute secondary damage...

(Rep. Kim Hyun) You've all quit Coupang, haven't you? All our public officials here aren't using it anymore, right?

(KMCC Chairperson Kim) Yes, I've quit Coupang and now...

(Rep. Kim Hyun) Deputy Prime Minister, you've also quit Coupang, haven't you?

(Deputy Prime Minister Bae) I have not quit Coupang intentionally, in order to monitor the situation.

(Rep. Kim Hyun) Yes, I haven't either because of monitoring. Just now, I tried to see this information, see what kind of content they are using to solicit customers, and it turns out they are advertising like this. "Only 3,000 accounts were stored." And "There are only 2,609 shared entry access codes." This is what they're doing now. That's why that authentication code appeared and that message came; it's all connected.

So, as mentioned before, more than 120 million delivery addresses, more than 560 million order data records, and more than 33 million emails and addresses were leaked, but they are saying only 3,000 were compromised, aren't they? Coupang's actions are simply... We've been talking about this all day, but it's like a hamster on a wheel; Rogers keeps saying there's no problem and is even reacting angrily.

KFTC Chairperson, are you aware of this by any chance? This has been going on since the 26th, since yesterday...

(KFTC Chairperson Ju) I'm seeing this for the first time now.

(Rep. Kim Hyun) So it's your first time, right? Deputy Prime Minister Bae?

(KFTC Chairperson Ju) Yes.

(Deputy Prime Minister Bae) This is also perjury. They said they stored only 3,000 accounts and then deleted, but this could be the result of Coupang's own investigation based on the hard disk provided by the suspect.

However, in fact, right now the PIPC and the joint investigation team—the police—are conducting a full-scale investigation of Coupang's servers. Through this investigation, they are analyzing server logs and performing forensic analysis. We are analyzing all cases of data leaks involving access to Coupang's servers. But publicizing such claims, relying solely on the information contained in the hard disk provided by the suspect is, in my view, a very serious problem.

(Rep. Kim Hyun) Mr. Kim Seung-joo, as a reference witness, please explain this part briefly. Because this is very dangerous right now. They say citizens who trusted the compensation plan will be deemed to have already been compensated, and warnings are being issued... Currently, law firms are urging our citizens to be cautious. Does this kind of action directly lead to compensation? Does it mean they are considered compensated? What is Coupang aiming for?

(Professor Kim) First of all, there is something called the Standard Personal Information Protection Guidelines in our country. It clearly defines what constitutes a personal information leak. According to that, status where an unauthorized individual gains access to the information without permission, that is considered a leak.

That means whether it was stored or not does not matter. So, as you mentioned earlier, when counting the number of leaks, it should be based on the number of pieces of information accessed without authorization by someone who had no rightful authority, and so talking about whether they were stored or not seems meaningless in this context. And in that regard, I believe there is a strong intention to downplay various aspects.

(Rep. Kim Hyun) So now they are asserting 3,000 cases, then 2,607 cases, and telling people to click the link, right? But previously, it was said, "Avoid using it as much as possible. Reduce link usage from three times to once, because there could be secondary damage." And even though we warned them during the hearing on the 17th, Coupang is now approaching citizens in an even more sophisticated way, isn't that correct?

(Professor Kim) I also believe there is such intent. And as the Deputy Prime Minister mentioned, the joint private-public investigation team is investigating under the assumption that with such weak internal controls at Coupang, it's unlikely there was only one rogue employee. There could have been other breaches. That's why they are conducting a full-scale investigation. Limiting it to one person and only talking about stored cases is highly problematic in my view.

(Rep. Kim Hyun) Was this action ordered by Rogers? CEO Rogers, please answer.
You may go back to your seat.

(Coupang CEO Harold Rogers) (Original statement) As far as the investigation, it wasn't a unilateral... We were directed by the national agency to take those steps and then yes, we announced that information to our customers. I recall, in the last hearing, I was criticized that we weren't sharing information with our customers. Now I've shared it, we've shared it with them and now we're being criticized for sharing it with them. Why isn't the government sharing this information with them? And why is this national agency now trying to cover this up? That's what I want to know. I don't know why those questions aren't being asked.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) In case of the investigation, it was not something we did unilaterally; we acted under the instructions of a government agency. So we took the relevant measures and shared the information with customers. During the last hearing, I was criticized for not sharing information with customers, and now we are being criticized for sharing it. Why is the government not sharing this information? And why is the government agency trying to hide it? I don't understand why there are no answers to these questions.

(Rep. Kim Hyun) That's not what I asked. My question is whether you are the one who ordered Coupang's purchasing activity. I'm not asking about the government—I'm asking if you are the one who posted that message.

(Coupang CEO Harold Rogers) (Original statement) No, there were multiple teams that worked on the language.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Multiple teams participated in drafting that message.

(Rep. Kim Hyun) Which teams?

(Coupang CEO Harold Rogers) (Original statement) So I believe the legal team was involved. PR was involved. The policy team. Generally, multiple teams. The question I have is why we are the only ones that have shared this information (Interrupted).

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The legal team was involved, as well as the PR team, R. Lux, and several other teams. But, I don't know why we should be the only one who's sharing this information.

(Rep. Kim Hyun) That's enough. Ms. Yoon Hye-young, Audit Committee Member, Ms. Yoon Hye-young, please take the microphone. Ms. Yoon, please come forward. How many years have you been with Coupang?-young,

(Audit Committee Member Yoon) I've been working with Coupang since June 2014.

(Rep. Kim Hyun) So you're an early member, right? An early member?

(Audit Committee Member Yoon) The company was founded in 2010, so I wouldn't say early—I joined in the middle.

(Rep. Kim Hyun) Don't play word games. Then you've been involved in everything that's happened since 2016, correct? CEO Park Dae-jun was dismissed, Kang Han-seung joined in 2020 and left, and the only one remaining now is you. Is that correct?

(Audit Committee Member Yoon) I am... in charge of the retail division... (Interrupted)

(Rep. Kim Hyun) Where is Kim Yoo-suk now?

(Audit Committee Member Yoon) I believe Kim Yoo-suk is in logistics... (Interrupted)

(Rep. Kim Hyun) No, I asked where he is.

(Audit Committee Member Yoon) I don't know.

(Rep. Kim Hyun) You don't know the whereabouts of a Vice President, as an Audit Committee Member?

(Audit Committee Member Yoon) I'm sorry.

(Rep. Kim Hyun) You're the one who checks and manages internal systems.

(Audit Committee Member Yoon) I... Coupang... (Interrupted)

(Rep. Kim Hyun) What's your annual salary?

(Audit Committee Member Yoon) I don't think this is an appropriate setting to...(Interrupted)

(Rep. Kim Hyun) Is that personal information?

(Audit Committee Member Yoon) Yes, it is.

(Rep. Kim Hyun) Don't laugh. What about this situation makes you laugh? (Mic off) I'll continue with additional questions.

(Chairperson Choi Min-hee) Mr. Rogers, regarding the NIS report—earlier, you didn't listen to what Representative Hwang Jeong-ah said and kept repeating irrelevant points, so let me clarify again. The National Intelligence Service has stated its position regarding Coupang CEO Harold's false testimony at the hearing. The NIS said it never gave any instructions or orders related to Coupang's internal investigation and does not even have the authority to do so. That is their response. They also said they never gave an instruction to contact the suspect.

The first meeting between the NIS and Coupang was on December 1, but they say Coupang had already inquired even the police before that. They asked whether they could go to China to meet the

person responsible for the leak, but they were unable to do so because the police opposed it, and Coupang explained this to an NIS officer. So “it was confirmed that Coupang had planned to contact the suspect even before its first interaction with the NIS,” etc. This information has been disclosed, correct? Please read this disclosed material. Please read it and try to understand it, and accept it. Put this up on the screen. Start with this. No, let’s start with this.

I’ll review this briefly and then ask a common question to KMCC Chairperson Kim, Mr. Rogers, Mr. Matthes, and the others.

Earlier, the KFTC Chairperson said people “can report.” If you go to the homepage, here’s what you’ll see: there is an anonymous reporting section. Click it. Next page. Then you’ll see the Anonymous Reporting Center. It’s very user-friendly, right? Please read it. Next slide, please.

The reporting categories are listed very kindly—it even includes violations like subcontracting issues and illegal price adjustments. You can just click. This is how you can file a report. My office will distribute this widely—to the small business associations and everywhere affiliated with Coupang. Do it immediately.

And please bring up the next one. You see this, right? What kind of document do you think this is, Mr. Rogers? When do you think this document is from? What kind of material do you think I’ve just shown? You said you’re the Korea representative. Please answer.

(Coupang CEO Harold Rogers) (Original statement) I’m not familiar with this. You could ask Mr. Matthes.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I’m not sure about this. If it’s a technical issue (Audio overlap), please direct your question to Mr. Matthes.

(Chairperson Choi Min-hee) (Audio overlap) You don’t know, yet you sit here and answer like this? What’s technical about this? This is November 19th—no, it’s not the 25th—no, it’s not the 15th. This is the first batch of data, right?

This is the content of the first email the perpetrator sent to Coupang users. If you look at the email, even though the text is tiny and hard for me to read, it’s very detailed. What does it say? We’ve removed the personal information here. It says “free access to the shared entrance is possible. I can do that,” as a threat. And this person placed 4 orders, totaling 15 items, and it lists what he ordered in detail. All this information was leaked. “Name, address, email, email address, front door passcode, I mean...shared entrance passcode. And I can even analyze what this person is buying. I have all this level of data...” 33.7 million records were what was leaked at that time. KMCC Chairperson Kim, isn’t it serious that this kind of personal information was exposed?

(KMCC Chairperson Kim) Yes. I think even an ordinary person would consider this serious.

(Chairperson Choi Min-hee) It is serious. Deputy Prime Minister Bae, you think this is serious, right?

(Deputy Prime Minister Bae) With this kind of information, even terrorism would be possible.

(Chairperson Choi Min-hee) Yes. Commissioner Lim of the National Tax Service, what would you think if all this information has been leaked?

(NTS Commissioner Lim) I think it’s horrifying.

(Chairperson Choi Min-hee) Chairperson Song Kyung-hee, horrifying, right?

(PIPC Chairperson Song) Yes, very serious...and yes.

(Chairperson Choi Min-hee) Chairperson of the KFTC, you can't just sit still in this situation. With all of this, right?

(KFTC Chairperson Ju) Yes, yes. You are correct.

(Chairperson Choi Min-hee) Minister of Employment and Labor?

(MOEL Minister Kim) Same here.

(Chairperson Choi Min-hee) Everyone agrees this is serious. This kind of information has been leaked, and the perpetrator has sent individual emails saying, "Coupang is a mess. Your information is being poorly managed as you can see." This is the situation. Mr. Rogers, you said this wasn't serious, right? Answer me—serious or not?

(Coupang CEO Harold Rogers) (Original statement) I have never said this is not serious. I was asked whether it was material under U.S. law and answered that question to you. You asked about U.S. law. That's what I answered.

(Chairperson Choi Min-hee) You said that earlier.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) (Audio overlap) I was asked whether it was material... (Audio overlap) You asked about U.S. law.

(Chairperson Choi Min-hee) No, is it material or not? I mean, is it material or not? (Audio overlap)

(Coupang CEO Harold Rogers) (Original statement) (Audio overlap) Stop twisting my words. Stop trying to hide the truth. Let the truth out.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Please tell the truth.

(Chairperson Choi Min-hee) What are you doing right now?

(Coupang CEO Harold Rogers) (Original statement) (Audio overlap) I'm talking about the government investigation we were directed to conduct.

Interpretation not provided

(Chairperson Choi Min-hee) (Audio overlap) How can you talk about truth while clouding the issue and changing your words like this? This isn't the time for wordplay.

(Coupang CEO Harold Rogers) (Original statement) (Audio overlap) Why are we not talking about that?

Interpretation not provided

(Chairperson Choi Min-hee) Is this material or not?

(Coupang CEO Harold Rogers) (Original statement) As we confirmed in our announcement, this is confirmed to have happened to about 2,700 accounts. Of course it's serious. And we were able to confirm that it only occurred with 2,700 accounts. That is what the forensic data confirmed.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) As confirmed in our announcement, this incident happened to 27 million accounts. This is serious. (Audio overlap)

(Chairperson Choi Min-hee) (Audio overlap) It's serious but not material?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) (Audio overlap) However, according to

forensic data, only about 2,700 pieces of data were stored.

(Chairperson Choi Min-hee) Wait a minute (Audio overlap) That's a very interesting point.

(Coupang CEO Harold Rogers) (Original statement) (Audio overlap) Under U.S. law, that is correct.
Interpretation not provided

(Chairperson Choi Min-hee) Why did 3,000 suddenly become 2,700... those 3,000 stored items... Mr. Matthes, please come forward for a moment.

(Coupang CEO Harold Rogers) (Original statement) No, it's in the announcement.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) That is included in the announcement.

(Coupang CEO Harold Rogers) (Original statement) 2,700 apartment access codes (Inaudible) in the public announcement on the 25th.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) About 2,700 access codes were mentioned.

(Chairperson Choi Min-hee) Stop wasting time.

(Chairperson Choi Min-hee) It was stated that 3,000 were stored. I saw that in the press release. Mr. Matthes, the perpetrator stored 3,000, right? Answer briefly, yes or no?

(Coupang CISO Brett Matthes) (Original statement) Approximately 3,000 is in his testimony.

(Coupang CISO Brett Matthes) (Simultaneous Interpretation) Yes, approximately 3,000 is what he stated.

(Chairperson Choi Min-hee) Please just say yes or no and don't waste time. But those 3,000... the perpetrator analyzed 3,370 and then stored 3,000, correct?

(Coupang CISO Brett Matthes) (Original statement) That is our understanding from his testimony, and from forensic evidence that supports his testimony.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) According to his statement, that's our understanding, and the forensic results support that.

(Chairperson Choi Min-hee) (Audio overlap) He said he analyzed them, right?

(Coupang CISO Brett Matthes) No.. I did not say... (Audio overlap) (Inaudible)

Interpretation not provided

(Chairperson Choi Min-hee) (Audio overlap) It said "analysis," didn't it? Then by what criteria did he analyze everything and store only 3,000 out of them? Out of 33.7 million, after analyzing all, what criteria were used to pick those 3,000 to store?

(Coupang CISO Brett Matthes) (Original statement) The original email that was shown from the threat actor that contained the information around the 33.7 million addresses actually details what he was doing. He took approximately 3,000 coupang.com related email addresses plus some additional email addresses of each of the sub-regions. He downloaded that data—that's actually stated in the original email which we have been explaining today. That is what the threat actor explained which is consistent with the (Interrupted)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) According to the first email sent, the attacker explained what was done to those 33.7 million accounts. He separated the accounts by

region and then downloaded the data. (Audio overlap) That's what he stated.

(Chairperson Choi Min-hee) (Audio overlap) Don't talk about that. Why did he store 3,000 after analyzing? Why specifically those 3,000? Why are you clouding the issue? Why exactly 3,000? Who are those 3,000 people... what kind of information is in those 3,000 records?

So now, that strange message received by Executive Secretary Kim Hyun—those 3,000 must be considered targets that require special care, right?

(Coupang CISO Brett Matthes) (Original statement) The threat actor stated that most of the 3,000 were customers that have coupang.com within their email addresses as the threat actor was targeting Coupang.com employees. It is also in the original email which everyone here has seen and it is consistent with what we have (Interrupted)

(Coupang CISO Brett Matthes) (Simultaneous interpretation) Most of those 3,000 were people whose email addresses were stored in Coupang.com. This includes Coupang employees.

(Chairperson Choi Min-hee) (Audio overlap) See, your explanation doesn't add up. It doesn't make sense because, as I said earlier... wasting time... The email content was, after analysis, he was saying "I can do things like this, your company, Coupang, is this dangerous." That's what this is. And then, out of 33.7 million... he pinpointed 3,000. What you're saying now does not answer that.

(Coupang CISO Brett Matthes) (Original statement) As I said... (Interrupted)

Interpretation not provided

(Chairperson Choi Min-hee) If you don't know, just say you don't know. (Audio overlap)

(Coupang CISO Brett Matthes) (Original statement) With... with respect... (Interrupted)

Interpretation not provided

(Chairperson Choi Min-hee) Wouldn't it be more honest to just answer, "I don't know why the perpetrator did that"?

(Coupang CISO Brett Matthes) (Original statement) If you'd allow me to answer, I will answer your question. The threat actor states that he targeted customers with coupang.com. His email that is earlier in the screen was most likely sent to somebody with coupang.com (Audio overlap) in the email address.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) If you allow me to respond, I will. The perpetrator said he targeted Coupang.com customers. (Audio overlap)

(Chairperson Choi Min-hee) (Audio overlap) Coupang.com...

(Coupang CISO Brett Matthes) (Simultaneous interpretation) This email was likely sent to people whose email addresses were stored on Coupang.com. (Audio overlap)

(Chairperson Choi Min-hee) Hold on. Are there only 3,000 Coupang.com customers? Is it 3,000?

(Coupang CISO Brett Matthes) (Original statement) I believe there are more than 3,000 customers of Coupang (Inaudible).

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I believe it's more than 3,000.

(Chairperson Choi Min-hee) No, what I'm saying is, this keeps going in circles. Out of all that data, why pick only 3,000 to store? If you don't know... you just don't know, right?

(Coupang CISO Brett Matthes) (Original statement) I can only answer the question with the truth which is that the threat actor said that he maintained the data of the customers (Audio overlap) who had coupang.com email addresses.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) I can only answer the question with the truths. The perpetrator... (Audio overlap)

(Chairperson Choi Min-hee) No, that's not it. That's not an answer.

(Coupang CISO Brett Matthes) (Simultaneous interpretation) (Audio overlap) with the customers' data...

(Coupang CISO Brett Matthes) (Original statement) (Audio overlap) Respectfully, that is the answer... (Interrupted)

Interpretation not provided

(Chairperson Choi Min-hee) Why specifically 3,000? That number could have been 5,000, 10,000, or even 100,000... There's no clear answer here. Professor Kim, could you step forward for a moment?

(Coupang CEO Harold Rogers) (Original statement) The government has these answers in the affidavits that we provided to the government. The threat actor stated the reason in the affidavits, which these gentlemen have and have had for more than a week.

Do you not have the affidavits from the threat actor?

(Coupang CEO Harold Rogers) (Simultaneous interpretation) The government has the answer. The statement we submitted includes that information. The official sitting next to me has had the perpetrator's testimony for over a week.

Don't you have the perpetrator's statement?

(Chairperson Choi Min-hee) Excuse me, I said earlier that witnesses cannot talk to each other. Why are you breaking the rules?

Professor Kim Seung-joo, does that response answer my question?

(Professor Kim) I don't think so. Earlier, I briefly looked at the content of that email. In the email, the suspect said, "I can access this much personal information, but due to privacy concerns, I'm only showing a very small portion selectively." So, as I mentioned earlier, if we define this as a personal information leak, then we can say a very large amount of data has been exposed.

(Chairperson Choi Min-hee) And I want to know what those 3,000 pieces of information actually are. You've checked those 3,000 pieces of data, right? Ministry of Science and ICT?

(Deputy Prime Minister Bae) The PIPC will comment on that.

(Chairperson Choi Min-hee) Please go ahead, PIPC.

(PIPC Chairperson Song) Ah yes, we haven't reviewed all 3,000 emails. From what I understand based on the explanation just given, when the hacker sent the threatening emails, the content indicated that for users who signed up using Coupang.com emails... (Audio overlap) they stored 3,000 such information... (Inaudible)

(Chairperson Choi Min-hee) (Audio overlap) Chairperson, chairperson, that's not the point. You're answering something unrelated. I'm not interested in that. My question was not about who received the emails first. 33.7 million records were leaked, but Coupang has particularly announced that only 3,000 were stored, right?

(PIPC Chairperson Song) Yes.

(Chairperson Choi Min-hee) I'm asking about the criteria for those 3,000.

(PIPC Chairperson Song) We can't know the reason either.

(Chairperson Choi Min-hee) Yes, "we can't know" is the correct answer. Even Coupang doesn't know either... Right now, they're just muddying the waters and going in circles.

And Professor Kim Seung--joo, right now they're saying the 3,000 records were stored and then deleted, and they're using that to lead the narrative toward "no problem." But isn't it possible that the suspect sent those 3,000 records somewhere else—whether to a server or by email?

(Professor Kim) Of course, there is. Because Coupang's own forensic analysis that they claim to have conducted through the three security firms was fundamentally based on the suspect's statements. So, since the forensic work targeted a specific laptop or equipment identified by the suspect, there's no way to verify anything the suspect omitted. And if other developers besides the suspect also engaged in misconduct, that would not be revealed by this private forensic investigation. That's why, as mentioned earlier, the Ministry of Science and ICT insists that a full-scale investigation is absolutely necessary.

(Chairperson Choi Min-hee) Okay. You may step down.

The point here is very important: this hacking incident is not the first of its kind. When telecom companies were hacked, one breach was discovered, but upon closer examination, malicious codes were found to have been implanted long before. And when they said 100 cases were hacked, upon a full investigation, the number ballooned to 10,000. Even now, if Coupang undergoes a full investigation, other breaches beyond this one could surface. And I'll take one more minute.

Professor Kim Seung-joo, I'm sorry, please come back once more. I don't think anyone from the government side can answer this. Why on earth is Coupang absurdly dragging the government and the NIS into this and turning it into a truth game? Does that make any sense? That the NIS directly instructed Coupang's security staff to conduct forensic analysis—does that make sense right now?

(Professor Kim) Based on how the government operates, I don't think such a statement was ever made. But what I find more serious is this... Of course, the nuance can differ between Korean and English, so that may explain part of it. However, what I see as a more serious issue is this: starting from the major telecom companies, there have been many hacking incidents, but if you look closely, you will notice that no private company has ever been the one to announce details of an incident that is still under investigation. It's always the joint public-private investigation team that makes announcements. The fact that Coupang hasn't even learned that much shows how poorly the company understands this incident and the significance of the joint investigation team's investigation.

(Chairperson Choi Min-hee) What are they thinking to act like this? At least telecom companies... even Lotte Card never did anything like this. Call everything else a truth game if you want, though it's not—but how can they be so bold to make such unilateral announcements?

(Professor Kim) First of all, the three companies they commissioned are indeed globally well-known security firms from an international perspective. That suggests they selected firms with the U.S.

stock market in mind rather than Korea. And considering the evidence materials and supporting documents from professors and others regarding those firms, I believe they also intended to use them for domestic litigation in Korea. -known security firms from an international perspective.

(Chairperson Choi Min-hee) And splitting up the laptop and dunking it into water—into muddy water and then retrieving them—that’s actually not just destruction of evidence, it contaminates the evidence itself. Legally speaking, can that evidence even be used? Chairperson Kim Jong-cheol?

(KMCC Chairperson Kim) I don’t think I’m in a position to give an authoritative answer on that.

(Chairperson Choi Min-hee) Additional questions from any members? Should we give 5 minutes each? So everyone intends to ask, correct? We’ll go in order.

Rep. Oh Gi-hyoung, you go first. You have 5 minutes.

(Rep. Oh Gi-hyoung) First, let me take one minute to sort out the “material, serious” issue mentioned earlier. Chairperson of the PIPC, do you know how much compensation per person is awarded when personal information is leaked?

(PIPC Chairperson Song) So far, the courts have recognized about KRW 100,000 (Audio overlap) in some cases.

(Rep. Oh Gi-hyoung) (Audio overlap) This time, it’s 33.7 million people. If you multiply that, isn’t it about 3.37 trillion won? So it exceeds 3.3 trillion. (Holding up the material) Coupang... this is a report. This has the asset size, as of the end of last year, it was about 3.5 trillion... maybe 3.5-3.6 trillion. I think it’s about 3.5 or 6. Isn’t this a situation where they could legally face damages roughly equivalent to their equity capital? So it’s “material, serious.” It’s serious because even the number is huge, and the economic impact is also material. So there’s substantial impact. Yet they are arguing about whether it is “material” or not. The reason I’m raising this is because I want the U.S. capital market to see this. They will monitor all of this. I’m demanding they look at this properly. When an unauthorized person gains access through a leak without permission, isn’t that considered a leak? And in Korea, isn’t it possible to claim damages in such cases? We’re talking about 33.7 million records accessed without authorization. That means there’s an obligation for damages of about KRW 3.37 trillion. Material, serious, sincerely serious—that’s what this means.

Now, let’s move on. The issue of data-sharing between affiliates regarding platforms. related data-sharing issues between affiliates.-related data-sharing issues between affiliates.

Let’s proceed. First screen. I addressed Coupang once during the 2021 National Assembly audit by the National Policy Committee. It was the agenda Rep. Kim Nam-geun raised at that time. This is what I asked at that time. I asked whether, in developing PB products, they were sharing data with PB component suppliers and platform operators. The witness then was Kang Han-seung. He testified that CPLB does not use individual Coupang sellers’ information. But if you look at the decision from the KFTC, isn’t this perjury? Next page—wait, go back a page. The screen looks odd—forward again, yes, next page.

Here is a report from *The Hankyoreh* about the data-sharing situation. It says that from around June 2020, regarding CPLB, PB products have been related and there were review opinions. They reported the KFTC’s findings as they were. On the next page, according to an internal Excel document prepared in early 2021, it shows that data was shared. And during the regular National Assembly Audit in fall 2021, they answered my question in that way. I brought the transcript exactly as it was.

Everyone, take a look. But when we try to file a perjury charge, suddenly I don't see him. I'm saying there's deep distrust about whether the Coupang representatives here today are committing perjury or not. We will file charges. For all of them.

Next page, please. This concerns Coupang providing information about vendors to CPLB—whether those vendors knew and consented to this. The PIPC needs to review this issue.

And whether Coupang and CPLB exchanged benefits in return while sharing information—the National Tax Service needs to look into this. There may be an issue of unfair support.

Is it fair competition when the referee is also playing as a player? That's why we keep discussing that we need to push the Online Platform Act with the KFTC.

Next page. Looking at this, the first argument is whether sharing personal information is appropriate. If there is no consent from the data subject, the PIPC must address this—it's a violation of the Personal Information Protection Act. If the KFTC finds this problematic, then it raises issues under the Act on the Regulation of Terms and Conditions.

(Unidentified Speaker) Yes.

(Rep. Oh Gi-hyoung) Next, regarding what I mentioned earlier about whether there is an issue with proper information, I would like the National Tax Service to review this. If nothing was paid in return or what was paid in return was inappropriate, then it becomes subject to denial of unjust transaction calculations, and I understand there may also be VAT issues. Please check that.

And regarding this Online Platform Act, sending strange letters and lobbying as if this were some kind of a trade issue—we find that highly inappropriate. Coupang's lobbying efforts like that... they will never work. In fact, I think Coupang's behavior disregarding Korea's legal or fundamental judicial system needs to be addressed this time.

So on this point, starting with the Commissioner of the NTS, I would like to hear your thoughts on how to resolve this matter. Then the Chairperson of the PIPC, and next, KFTC Chairperson Ju.

(NTS Commissioner Lim) As you said, it appears necessary to review whether the denial of unjust transaction calculations should be applied. I believe our investigation team will also examine this thoroughly.

(PIPC Chairperson Song) Yes, regarding the collection of information of vendors—this likely includes a significant amount of corporate data. Corporate information is not considered personal information under the Personal Information Protection Act, which applies only to living individuals. However, there may be individual business owners among them, and in those cases, some personal data could be mixed in. So I think this needs to be reviewed carefully.

(KFTC Chairperson Ju) Yes, I think we need to be able to ensure that such unfair practices by platform operators are regulated through the Online Platform Act as soon as possible. We will also promptly address cases related to Coupang under the Act on Fair Transactions in Large Retail Business. Furthermore, we will closely monitor practices such as self-preferencing and unfair collection of advertising fees using private-label products as well. And I believe it is necessary to introduce mechanisms like class actions or collective actions as soon as possible so consumers can respond to issues like these. That's all.

(Rep. Kim Hyun) Thank you. Rep. Kim Nam-geun, Please proceed with your questions.

(Rep. Kim Nam-geun) Chairperson of the KFTC, earlier this morning I mentioned that the Yoon Suk--yeol administration's continued protection of Coupang has caused the company to develop bad habits—engaging in conduct that disrupts Korea's market order, disregards Korean laws and administrative processes, and ignores consumer reputation. I stated that these behaviors have become habitual.

First, manipulating search rankings to drive out vendors while boosting its own products. Even in the case where Coupang faced an administrative penalty of KRW 168 billion, the KFTC did not recognize Coupang to be monopolistic. Instead of citing self-preferencing, the KFTC cited an ambiguous type of unfair practice, where they unfairly induced customers. If it had been treated as abuse of market dominance or monopoly power, the penalty would have been much higher. Maybe Coupang would have learned its lesson then. But because you went easy on them, they're getting into these habits, correct?

Next, when asked about the tie-in sale issue, this morning, when I asked about the examination on the issue, you said the assessment of monopoly status would take place again during the examination on January 7. But after checking, we noticed that the examination on January 7 is only about reviewing violations under the Act on Fair Transactions in Large Retail Business and forced advertising on sellers... Coupang has so many unfair practices that even I get confused although I'm one of the members who heavily focus only on this. But our Chairperson of the KFTC shouldn't be getting confused as well, right?

(KFTC Chairperson Ju) Earlier, I... (Interrupted)

(Rep. Kim Nam-geun) Chairman, you need to focus on Coupang properly. That issue is actually minor compared to what we're discussing now. The unfair practice is relatively minor, but through bundling and using the program called WOW membership and offering free delivery in the process, they engaged in bundling practices that allowed Coupang Eats to overtake Baemin in the delivery app market and become the number one delivery app in Seoul. And in evaluating that conduct, you're saying you would determine whether they have a monopoly, correct?

(KFTC Chairperson Ju) Yes.

(Rep. Kim Nam-geun) Chairman, in my view, the KFTC needs to show that the Lee Jae-myung administration is different from -the Yoon Suk--yeol administration—that it will take firm action when necessary and impose sanctions when appropriate. You need to show that but honestly, I still don't have full confidence in the KFTC. Also because you keep getting confused repeatedly, right?

(KFTC Chairperson Ju) I apologize.

(Rep. Kim Nam-geun) So you really need to stay focused. And there are several other instances where you've essentially shown leniency. For example, in the delivery app market, there's what we call Most-Favored Nation treatment. Within Coupang Eats, stores are not allowed to set different prices for in-store and delivery sales. From the perspective of small business owners, they need to charge higher prices for delivery, especially when they're paying 30% of their total sales to Coupang. For preventing that, Coupang should have faced an administrative penalty. But instead, Coupang applied for a so-called consent decree—asking not to impose an administrative penalty and promising to compensate consumers and Eats merchants instead. And because of that application, the imposition of the administrative penalty has been postponed, so they're not being fined, right?-store and delivery sales

(KFTC Chairperson Ju) Social contribution equivalent to the administrative penalty (Inaudible)

(Rep. Kim Nam-geun) Are they actually making social contribution? Even in this personal data leak case, they're only pretending to offer compensation. What social contribution can we expect from them? So, you need to impose administrative penalties.

(KFTC Chairperson Ju) Since a procedure is already underway for that matter... Even for the matters that are already in progress...

(Rep. Kim Nam-geun) No, what I'm saying is, if they don't properly fulfill those responsibilities and then file for a consent decree, things get dragged out for another year so easily.

(KFTC Chairperson Ju) I will look into that thoroughly as well.

(Rep. Kim Nam-geun) Coupang is basically being led to believe that as long as they drag things out, the KFTC isn't a big deal in Korea, and that Korean judicial practice doesn't amount to much. You're reinforcing that perception.

Coupang's bad habits—readily engaging in market-distorting practices and its stalling tactics—are, in my view, largely enabled by the KFTC. I think the Commission has played the biggest role in cultivating those habits. -distorting

(KFTC Chairperson Ju) In any case, since several cases are ongoing, taking that into account, we will consider aggravating...(Interrupted)

(Rep. Kim Nam-geun) Another issue is the "same person" designation—the one the public refers to as the chaebol chairman. All other chaebol groups have individuals designated as the controlling party, but strangely, Coupang is the only one that has designated the corporation instead of Kim Bom-suk. If Kim Bom-suk were designated as the owner then, for example, if there were unfair internal support, or if he funneled shares to his younger brother, things like that...

And later, when his child grows up and a succession of management rights occurs, sanctions could be imposed on that as well. And disclosure would also be required—such as changes in Kim Bom-suk's shareholding or RSU stock compensation for his brother. All of that would have to be disclosed. But because they have not designated Kim Bom-suk as the same person and instead made the corporation the designee... none of this is happening. It prevents us from transparently examining the Coupang chaebol group. This also has been pointed out multiple times—even when lawmakers visited, Kim Bom-suk was referred to as a Vice President...(Mic off) That was exactly how he was introduced..

(KFTC Chairperson Ju) Kim Yoo-suk.

(Rep. Kim Nam-geun) (Mic off) His younger brother, Kim Yoo-suk, was introduced as a Vice President. And the compensation is at the level that executives receive—KRW 600 million and so on. And the stock compensation as well...

(KFTC Chairperson Ju) So, in any case, when we conduct the regular review this time, we will thoroughly examine the management participation of the owner's family, including compensation.

(Rep. Kim Nam-geun) (Mic off) What I'm saying is, your answers keep being vague, and that's why Chairperson Choi Min-hee keeps telling you not to give vague answers but to state specifically what you will do, by when, and how. The KFTC is the only agency that has the powerful tools needed to properly sanction Coupang, yet today you're giving the weakest answers. What the public wants to hear is: through which measures and procedures the KFTC will impose administrative penalties of

how much, designate them as a monopoly, designate Kim Bom-suk as the chaebol owner (“same person”), and so on—clear, concrete answers. But instead, we’re only hearing vague statements...

(KFTC Chairperson Ju) It’s not vague. The designation of the same person is something we review regularly, every year. We will handle it during the upcoming review.

(Rep. Kim Nam-geun) (Mic off) So please prepare a full list of what the KFTC can do regarding Coupang. From what I see, there are many things for which administrative penalties can be imposed...

Tomorrow, I will also ask how business suspension should be applied—there’s that as well... And then designation as a monopoly, designation of Kim Bom-suk as the chaebol owner (“same person”), there are many things. Please organize all of that and be well prepared for tomorrow.

(KFTC Chairperson Ju) Yes, understood.

(Rep. Kim Nam-geun) (Mic off) That will be all.

(KFTC Chairperson Ju) Yes, understood.

(Rep. Kim Hyun) Thank you. Rep. Kim Hyun-jung, Please proceed with your questions.

(Rep. Kim Hyun-jung) Our Fair Trade Commission Chairperson, the E-Commerce Act clearly prohibits practices that intentionally make it difficult for consumers to cancel membership or terminate contracts. Correct?

(KFTC Chairperson Ju) Yes, that is correct.

(Rep. Kim Hyun-jung) But after the Coupang data leak incident, there has been a “mass exit,” and even now complaints are flooding in that withdrawal is still extremely difficult. -leak incident, there has been a “mass exit,” and even now complaints are flooding in that withdrawal is still extremely difficult.

During the National Policy Committee’s current issues inquiry on December 3, many members, including myself, raised this issue. Where is witness Park Dae-jun? Please come forward. Look at this PPT. This is from the transcript of that inquiry. This is what Park Dae-jun, then CEO, responded at that time, right? -issues inquiry on December 3, many members, including myself, raised this issue.

(Former CEO Park Dae-jun) Yes.

(Rep. Kim Hyun-jung) When asked to make withdrawal easier, you said you would fix it immediately and take corrective action. Correct?

(Former CEO Park Dae-jun) Yes.

(Rep. Kim Hyun-jung) But it’s been almost a month since December 3, and I don’t see what has improved. My staff and I tried to withdraw from the Coupang membership, and it took 15 minutes—15 minutes. Look at this. Look at the first screen. There’s no indication anywhere for membership withdrawal. You have to click all sorts of things to find it. When you click the little person icon there, it goes to the second screen. The second screen also doesn’t tell you where to click. Right? There’s nothing, right? Have you tried withdrawing from the membership? Anyone here from Coupang, try withdrawing from the membership. See how many minutes it takes. If you can withdraw from the

membership within five minutes, I'll give you the KRW 30,000 pair of socks that's up on who-knows-where, the Coupang socks.

What is this nonsense? Then the next screen asks you to enter your password. But most people have auto-login enabled, so they don't recall their password.

And even if you manage to find your password and log in, you land on the fifth screen, still not knowing where to click. Then there's another screen and on the bottom of the sixth screen, you have to enter your password again. Then the last screen shows a warning: if you withdraw from your membership, all your accumulated points will be lost. This is what Coupang is doing right now.

Chairperson of the PIPC,

(PIPC Chairperson Song) Yes.

(Rep. Kim Hyun-jung) Our office checked with the PIPC, and it was even reported in the press. The PIPC repeatedly instructed Coupang to improve this procedure, correct?

(PIPC Chairperson Song) That's correct. We recommended improvements.

(Rep. Kim Hyun-jung) But right now, Coupang is completely ignoring it.

(PIPC Chairperson Song) We confirmed that some improvements were made, but it's still complicated.

(Rep. Kim Hyun-jung) Even after improvements, does it still take 15 minutes? Then before that, it must have taken about an hour and a half.

Now, if you look at the next PPT slide—as I mentioned earlier—the Act on the Consumer Protection in Electronic Commerce clearly prohibits practices that intentionally make it difficult to withdraw from membership or terminate contracts. So, Chairperson of the KFTC, isn't this clearly a violation of Article 21-2 of the Ecommerce Act?-2 of the E-commerce Act?

(KFTC Chairperson Ju) We've launched an investigation into this violation.

Administrative guidance has also been issued, and we are continuously contacting them and demanding that they correct it as quickly as possible. Coupang says they'll do it in January, but we'll make sure it happens as soon as possible.

(Rep. Kim Hyun-jung) January? Is that really something that takes a whole month?

(KFTC Chairperson Ju) Yes, so anyway, that's why we're pushing them to do it as quickly as possible.

(Rep. Kim Hyun-jung) Chairperson, and PIPC Chairperson, please respond firmly. You gave similar answers during the National Policy Committee's inquiry on December 3. Another month is just passing by, isn't it? Where is CEO Rogers? You just heard the KFTC Chairperson say this could constitute a violation of Article 21-2 of the E-commerce Act. When will you improve the withdrawal process? Let me give you an idea—just show a simple pop-up window for withdrawal. Will you do that?

(Coupang CEO Harold Rogers) (Original statement) My understanding is we are working actively with the KFTC on this issue.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) As far as I know, we are actively

cooperating with the KFTC on this matter.

(Rep. Kim Hyun-jung) You are saying that you're actively cooperating with the KFTC, and yet still...(Interrupted)

(KFTC Chairperson Ju) We're investigating now, and regarding the economic gains obtained through dark-pattern practices, we will impose separate penalties.

(Rep. Kim Hyun-jung) So the KFTC will impose penalties for the violation, but what I'm asking CEO Rogers is whether he's willing to implement a pop-up window for withdrawal. Please answer that—whether you're willing to do that.

(Coupang CEO Harold Rogers) (Original statement) The team is working with the KFTC on this issue and we will continue to look at it and work on it.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Our team is cooperating with the KFTC on this matter and will continue to look at it and take necessary measures accordingly.

(Rep. Kim Hyun-jung) (Mic off) What do you mean you'll look at the points raised and what are you saying you'll do? Everything has already been identified; the issues are clear. Both the PIPC and the KFTC have already flagged them... Honestly...

(Rep. Kim Hyun) Rep. Park Hong-bae.

(Rep. Park Hong-bae) Mr. Kang Min-uk, please come to the witness stand.

Thank you for waiting this long. We will refer to you as a witness. You are currently working as a delivery worker at Coupang, engaging in union activities, and also active in the Overwork Death Countermeasures Committee, correct?

(Chairperson Kang of the Coupang Division of the Delivery Workers' Union) Yes, that's correct.

(Rep. Park Hong-bae) I understand that you have met and assisted many bereaved families of workers who died from industrial accidents at Coupang, more than anyone else. Is that true?

(Chairperson Kang of the Coupang Division of the Delivery Workers' Union) Yes, that's correct.

(Rep. Park Hong-bae) First, I'd like to ask about Coupang's response immediately after a death occurs.

From what I heard from you before, Coupang's initial response to bereaved families follows a similar pattern in each case. You mentioned it feels less like an individual decision and more like they are acting according to certain guidelines or a manual. Could you elaborate on that?

(Chairperson Kang of the Coupang Division of the Delivery Workers' Union) First of all, this can clearly be seen as an organized response. There were several instances where I felt this way. -exposed manual for concealing industrial accidents.

Most importantly, I'd like to talk about their handling at hospitals and funeral homes. In death cases—serious industrial accidents—the victim has already passed away, so the most important people are the bereaved families. I visited several places after hearing the news of those who passed away. First, there were always about two employees stationed there. And the condolence money was always the same—KRW 1 million. And furthermore, I heard accounts from bereaved families who said they were pressured to settle, and even when the labor union went to meet them, they

again declined and asked that it not be told. This is the same pattern as the now-exposed manual for concealing industrial accidents.

(Rep. Park Hong-bae) What impression did you get?

(Chairperson Kang of the Coupang Division of the Delivery Workers' Union) Honestly, when I saw the manual for concealing industrial accidents, I was really shocked. It wasn't just instructions given on occasions—it was something organized at the company level to respond systematically. And the fact that this was created after Mr. Jang Deok-jun's death in 2020, after his colleagues actively testified, and during the process of enacting the Serious Accidents Punishment Act—I was appalled that it was so systematically put together.

(Rep. Park Hong-bae) When an industrial accident occurs, basic information such as the victim's working hours is essential for filing an industrial accident claim, correct?-accident claim, correct?

(Chairperson Kang of the Coupang Division of the Delivery Workers' Union) Yes, that's correct.

(Rep. Park Hong-bae) But based on what we've confirmed on-site, Coupang often does not provide this basic information to the bereaved families or the labor union.

Please tell us how this is handled.

(Chairperson Kang of the Coupang Division of the Delivery Workers' Union) I'll just mention two points.

First, in the case of Mr. Jang Deok-jun, only the bare minimum information was provided, which made it extremely difficult for the bereaved family to apply for industrial accident compensation.

Second, a recent case: there's growing social consensus that night delivery and night work are dangerous, and a social dialogue on this is underway. Right after Chuseok, in mid-October, we confirmed a report that a worker doing night deliveries at Coupang's Ilsan 2 Camp died of a stroke and brain hemorrhage. So we requested this information through the office of a member of the National Assembly.

But Coupang refused to provide it, citing opposition from the bereaved family.

The data we requested were the same materials Coupang has always submitted in cases of accidents or fatalities—information on how the person worked and how many hours they worked.

We specifically requested only work environment information, excluding personal data, but this time they did not provide it.

In my view, because this horrific accident happened again right after Chuseok at a time when there were rising public voices warning that dawn delivery poses serious risks, Coupang used the bereaved family as an excuse not to provide the information.

(Rep. Park Hong-bae) Last January, our Environment and Labor Committee held a hearing on Coupang. At that time, CLS and CFS representatives made many promises. And afterward, there were some changes, such as the removal of certain "cleansing" clauses in some consignment contracts, but the promise from CFS to improve the matter about the mobile phone possession still has not been fulfilled. From your perspective, what changes have you seen? Please add your thoughts on that. I'll add a little more since I'm almost out of time.

Tell us what changes have occurred. And finally, tens of thousands of workers are employed at Coupang.

But the working conditions are notoriously harsh.

Please tell us what you think needs to change at Coupang CLS and CFS going forward.

(Chairperson Kang of the Coupang Division of the Delivery Workers' Union) First, thank you again for giving me the opportunity to speak.

At the January 21 hearing of the Environment and Labor Committee, Coupang's representative directors acknowledged the issue of sorting work and promised to improve the Fresh Bag scheme. The multiple rounds of delivery—two or three rounds a day— were also pointed out. But I want to state that nothing has changed up until this point despite the National Assembly hearing.

That's the reality.

Finally, let me add this: One reason our citizens can't give up Coupang is because the service quality is very high from a consumer perspective—it's extremely fast.

To put it the other way around, the reason Coupang is able to lock in consumers is because delivery workers like me, who do Rocket Delivery, have been increasing the speed of delivery by grinding themselves down.

To put it another way, our delivery workers are doing sorting work that no other courier company requires of its drivers, we are collecting Fresh Bags for KRW 100, and although one delivery run per day should be enough, we are doing two or three rounds, moving back and forth between delivery areas and camps, wasting time on the road, and it is because of this that the public is giving their love to Coupang.

If there's a problem with Coupang, I believe the urgent priority is to improve these harsh working conditions for delivery workers.

One more point: Coupang has a system where if Fresh Bags aren't collected, the delivery zone is taken away. At local agencies, if a driver's Fresh Bag collection rate falls below 60%, they deduct KRW 25 from the contracted rate per delivery; if it drops further, KRW 50; and if it drops again, KRW 75. They operate this system on their own to cut drivers' per-delivery fees. This is terrible treatment for dawn delivery workers. Under life-threatening conditions, they're collecting Fresh Bags—not to earn KRW 100, but because they have no choice. They're running at dawn to prevent their overall per-delivery fee from being cut.

I feel like we're holding a ticking time bomb.

At any moment—even tonight—someone could die.

CEO Rogers said earlier that there's not much difference in labor intensity between daytime and nighttime deliveries. That's deeply deplorable.

I wish he would go out and try dawn delivery himself now. That's all I have to say.

(Rep. Kim Hyun) Rep. Lee Yong-woo, please proceed with your questions.

(Rep. Lee Yong-woo) I'm Lee Yong-woo from Seo-gu Eul, Incheon. Former CEO Park Dae-jun, you have a mic, right? Today, I wanted to use the industrial accident death of Mr. Jang Deok-jun as a case to highlight various problematic practices at Coupang. But the lack of proper acknowledgment or apology is causing further public outrage.

There have been many recent media reports about Kim Bom-suk's actions right after Jang Deok-jun's death in October 2020. I assume you were aware of those situations and discussed them with other executives. Is that correct?

(Former CEO Park Dae-jun) We discussed... At that time, my role was handling new businesses... (Interrupted)

(Rep. Lee Yong-woo) Recent media reports show that Kim Bom-suk gave instructions where he sounded like "collect only images where Jang Deok-jun is not working," and messages such as "make sure no notes about him working hard are retained" and "why would he be a hard worker? That does not make any sense" were shown. And in the emails I showed earlier, it seems likely that you also sent and received such emails and took part in those discussions at the time. Looking back now, what comes to your mind?

(Former CEO Park Dae-jun) Now that I...I mean...Yes. When Jang Deok-jun passed away, it was the first case of death from overwork for us, and our response was inadequate and somewhat immature in many aspects. That's true.

(Rep. Lee Yong-woo) Do you admit it was wrong, looking back now?

(Former CEO Park Dae-jun) Looking back, I think there were areas where we were immature.

(Rep. Lee Yong-woo) Not just immature—do you think it was wrong?

(Former CEO Park Dae-jun) I think we could have handled it better, sir.

(Rep. Lee Yong-woo) Instead of revealing the actual working conditions, you concealed and downplayed them, and many executives acted to prevent the case from being recognized as an industrial accident by any means—to cover up the death of a young man in his 20s. Looking back now, isn't that seriously wrong? Shouldn't you at least acknowledge that to apologize sincerely?

(Former CEO Park Dae-jun) I never thought about concealing an industrial accident. (Interrupted)

(Rep. Lee Yong-woo) MOEL Minister Kim, you know that under the Occupational Safety and Health Act, there are penalties for concealing industrial accidents, and there are also separate provisions for obstructing investigations into the causes of industrial accidents, right?

(MOEL Minister Kim) Yes, I'm aware.

(Rep. Lee Yong-woo) I believe Kim Bom-suk's actions covered in the recent media reports meet those criteria. Although this has already been filed as a complaint, you need to recognize this clearly and conduct a swift investigation to impose strict penalties so that such incidents do not recur. Will you do that?

(MOEL Minister Kim) Yes. As I said earlier, if Kim Bom-suk's statements and actions are true, I believe they constitute interference with the MOEL Minister's investigative authority.

(Rep. Lee Yong-woo) Please pause the time. Mr. Roh Jae-guk, the Head of Logistics Policy, please step forward to the Coupang position. Regarding the death of Mr. Jang Deok-jun, you were fully aware of Kim Bom-suk's conduct at that time, correct?

(Head Roh Jae-guk, Logistics Policy) At that time, I was working with the National Assembly team.

(Rep. Lee Yong-woo) Were you aware or not?

(Head Roh Jae-guk, Logistics Policy) The matter you just mentioned was...(Interrupted)

(Rep. Lee Yong-woo) I have confirmed everything with the civil litigation attorney. Regarding various actions taken by you at that time...

(Head Roh Jae-guk, Logistics Policy) May I briefly explain?

(Rep. Lee Yong-woo) You can speak at the end. It appears that you analyzed 11 days' worth of video footage, but only submitted 6 days' worth to the Korea Workers' Compensation and Welfare Service. Is that correct?

(Head Roh Jae-guk, Logistics Policy) I was not involved in that matter, so I cannot say for certain.

(Rep. Lee Yong-woo) Is that correct, incorrect, or you don't know?

(Head Roh Jae-guk, Logistics Policy) I do not know.

(Rep. Lee Yong-woo) Yes. Mr. Rogers. Whether in Korea, the U.S., or globally, the principle of law is that rights must not be abused.

Regarding the 23 cases of industrial accident approvals, you filed audit requests with the Board of Audit and Inspection, and the first case was rejected, the second was also rejected, the third was also rejected, and all the way to the 23rd case, none were accepted. Is dragging these industrial accident approval cases to the Board of Audit and Inspection like this a legitimate exercise of rights?

As I mentioned earlier, in Mr. Choi Seong-rak's case as well, the industrial accident was recognized in 2023, but in 2024 you submitted a request for review with the Korea Workers' Compensation and Welfare Service saying it should not be recognized, and then in June 2024 you filed an administrative lawsuit, and this has been ongoing until now. I am asking whether this approach is a proper exercise of rights. Please answer.

(Coupang CEO Harold Rogers) (Original statement) Yes. I believe that we have recourse under the law. We have a right to follow that. That is why it exists.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) I believe there is recourse under the law, and that we are following that. That is why such law...that is why such rights exist.

(Chairperson Choi Min-hee) You said earlier you had something to say, right?

Shall we hear it?

(Head Roh Jae-guk, Logistics Policy) It's nothing special. I just wanted to say that regarding the videos and such mentioned by Rep. Lee Yong-woo earlier, I do not know the details accurately, and that's what I intended to clarify.

(Chairperson Choi Min-hee) Rep. Lee Joo-hee, please proceed with your questions.

(Rep. Lee Joo-hee) First, please pause the timer for a moment. Witness Lee Young-mok and witness Roh Jae-guk, please get your microphones ready...Yes, you may come forward. Well... it might be a bit hard for me to see from over here, but let's look at the screen.

(VP Lee Young-mok) (Mic off) I'll move over there.

(Rep. Lee Joo-hee) Do whatever is comfortable for you as long as you can speak. First, witness Lee Young-mok.

(VP Lee Young-mok) Yes, Representative.

(Rep. Lee Joo-hee) (Referring to the screen) Can you see this? Are you familiar with the term "cherry-picking"?

(VP Lee Young-mok) Yes, I am.

(Rep. Lee Joo-hee) It refers to picking only the cherries off a cake.

(VP Lee Young-mok) Yes, that is right.

(Rep. Lee Joo-hee) It refers to the act of selectively taking only the parts that work in your favor. And someone who habitually behaves this way is called a "cherry-picker."

Witness, isn't what we are seeing here exactly what cherry-picking means? Particularly in Coupang's attitude toward this hearing and Chairman Kim Bom-suk's repeated absences? After growing into a retail giant—practically a distribution chaebol—through Korea, and after taking most of its profits out of Korea, Coupang suddenly claims it is a U.S. company and that Kim Bom-suk is a U.S. citizen whenever accountability is required. Isn't such act of nationality-based opportunism the very definition of a cherry-picker? What's your view? Please answer briefly.

(VP Lee Young-mok) I'm sorry, I don't think it's appropriate for me to comment on that. My apologies.

(Rep. Lee Joo-hee) Coupang's cherry-picking is also evident in recent measures taken against its logistics center employees. The company is even passing losses caused by its own mistakes on to its workers.

I think this was widely reported in the media on the 19th. As of the 19th, Coupang's estimated user count dropped by about 2 million. As a result, with reduced logistics volume, Coupang Fulfillment Services—Coupang's logistics subsidiary—expanded the number of centers subject to voluntary time-off—VTO, which you are familiar with. Some centers even abolished extra-paid overtime work. Witness Roh Jae-guk.

(Head Roh Jae-guk, Logistics Policy) Yes, Representative.

(Rep. Lee Joo-hee) Coupang Fulfillment Services sent text messages notifying the implementation of VTO to contract workers at logistics centers, correct?

(Head Roh Jae-guk, Logistics Policy) Yes. As I heard...

(Rep. Lee Joo-hee) Please answer with a simple yes or no.

(Head Roh Jae-guk, Logistics Policy) I am aware that there have been similar instances in the past as well.

(Rep. Lee Joo-hee) Yes, but this message was sent this time, right? According to the Logistics Centers Chapter of the Korean Public Service and Transport Workers' Union, this VTO was implemented across 9 centers and 10 different processes, affecting about 10% of the entire operation. They are telling their employees to take unpaid leave during the year-end season, which is the peak period for the retail industry when logistics demand rises. Witness, how many employees actually took VTO following this announcement?

(Head Roh Jae-guk, Logistics Policy) I would need to verify the exact figures (Audio overlap) for that.

(Rep. Lee Joo-hee) Please verify them and let me know the precise number later. The reason the public is furious and turning their backs on Coupang is the company's incompetent and complacent response. That is what people are angry about. Yet, you are shifting that responsibility onto your employees, ensuring the company suffers no losses whatsoever. Don't you find such behavior truly shameful? Is it not irresponsible?

Deputy Prime Minister, you attended the inter-agency meeting on the 25th regarding the personal information leak and consumer protection, correct?

(Deputy Prime Minister Bae) That is correct.

(Rep. Lee Joo-hee) I am truly concerned that the way Coupang is currently disregarding the public, the government, and the National Assembly—and responding in this manner—may spread to other global tech companies.

If the Coupang situation is not resolved properly, other U.S. companies will think they can behave this way in Korea at any time. Instead of dealing with the Korean government, they might choose to resolve issues with the U.S. government and continue to disregard Korea, wouldn't they? Please, as you promised earlier, take full responsibility. You must put an end to Coupang's opportunistic, "cherry-picking" behavior of separating its rights and its obligations. You must address it.

(Deputy Prime Minister Bae) Yes, all relevant government authorities will strictly take necessary measures.

(Rep. Lee Joo-hee) We're short on time, but this was briefly mentioned earlier too—you may return to your seat and please pause time for a moment.

NPA Acting Commissioner General Yoo, this issue has come up repeatedly. However, I'd like to emphasize it again because it's extremely important.

Just a moment—are you present?

(NPA Acting Commissioner General Yoo) Yes, I'm present.

(Rep. Lee Joo-hee) Now, Coupang's sudden announcement of its internal investigation results. Several problems were raised earlier, but the key issue is this: before the police or investigative authorities arrived, they secured the devices and conducted self-forensics, correct? Isn't that the key issue here?

(NPA Acting Commissioner General Yoo) Yes, that's correct.

(Rep. Lee Joo-hee) This is about the integrity of digital evidence, right? Doesn't "integrity" refer to maintaining digital evidence in its original state—without any alteration, tampering, or damage—since it was collected from a crime scene until it is submitted to the court?

(NPA Acting Commissioner General Yoo) That's correct.

(Rep. Lee Joo-hee) If this integrity is not recognized, it cannot be used as evidence for conviction in a criminal trial, correct?

(NPA Acting Commissioner General Yoo) That's correct.

(Rep. Lee Joo-hee) So, if a third party who will be subject to the investigation comes in contact with the evidence like in this case, can we say the integrity of the evidence has been maintained?

(NPA Acting Commissioner General Yoo) We will conduct (Audio overlap) a thorough review of that matter.

(Rep. Lee Joo-hee) You may need to verify it, but this is deeply concerning.

The problem is this: in a company like Coupang, where former Kim & Chang attorneys and former prosecutors and ex-senior public officials are present in large numbers, is it credible that they would not have known this? I see this as a deliberate attempt to destroy the evidentiary value and hand over only the shell to the police—a highly intentional act of obstructing the investigation. Isn't that the case?

This bears the hallmarks of classic allegations of evidence destruction and obstruction of official duties by deception. These must be thoroughly investigated.

(NPA Acting Commissioner General Yoo) Yes, we will examine those aspects closely as well.

(Chairperson Choi Min-hee) Yes, I will give you one more minute.

(Rep. Lee Joo-hee) Watching that bizarre scene of Coupang retrieving a laptop from the water gave me chills—a strong sense of déjà vu. During the 2022 presidential election, then-policy chief Won Hee-ryong made a major public spectacle, claiming that conclusive evidence in the Daejang-dong case had been found in a drainage outlet on the Gyeongin Expressway, using it to drive public opinion. The results—the evidence already submitted to the court speaks for itself.

Why is Coupang, which is the subject of the investigation, retrieving and disclosing evidence that investigative authorities should have lawfully secured—like a staged performance? Isn't this extremely bizarre? A private company is effectively mocking public authority and putting on a show; the police must not remain mere spectators.

As you mentioned earlier, there's also a criminal complaint, and you also recognized the situation, didn't you?

(NPA Acting Commissioner General Yoo) Yes.

(Rep. Lee Joo-hee) This is not the time for general statements about law and principles. You must move swiftly to open an investigation. Will you do so?

(NPA Acting Commissioner General Yoo) Yes, I will do that.

(Rep. Lee Joo-hee) Please pause for a moment. Right now, Professor Kim... (mic off) One second...

(Chairperson Choi Min-hee) Just go ahead.

(Rep. Lee Joo-hee) (Mic off) Professor Kim and Attorney Kwon, could you please join us for a moment? I would really like to give you both an opportunity to speak.

Professor Kim, you shared many insights earlier, and many experts have been criticizing this sudden self-investigation announcement by Coupang, correct? If you have any additional comments on Coupang's abrupt release of their internal investigation findings, please feel free to share them again.

And Attorney Kwon, as a legal expert, it would be great if you could also offer your perspective.

(Professor Kim) The reason it's fundamentally considered risky to release findings from a private company without prior agreement is that it can escalate into a framing battle. To explain the fundamental reason why we don't outsource such tasks to private companies, when we outsource forensic work, a contract is signed with the company. The contract specifies the scope and timeframe for analysis. That is why a full-scale investigation cannot be conducted. If a preliminary announcement is made in this situation, when the joint public-private investigation team later attempts a full-scale investigation, the public will wonder: "Global companies finished their investigation so quickly—why is our team taking so long?" This leads to unnecessary controversy. That's why prior announcements are extremely risky and should never have been made.

(Attorney Kwon) As a lawyer, if I think about this carefully, it's an extremely bizarre situation. They should be protecting themselves, protecting Coupang. If it were me, I would inform the government as much as possible. You want to say, "we are absolutely innocent, this evidence is extremely favorable to us", and to do that, they should have come to public authorities capable of witnessing properly and truthfully and should have done it while they were present. They should have had the statements investigated while they were present as well. It's impossible not to know that doing otherwise contaminates...undermines the credibility of the evidence. Claiming they didn't know Korean law because they were U.S. lawyers? That's nonsense—there are plenty of Korean lawyers. This whole thing is incomprehensible, so if I imagine why they did it, I suspect they received help, guidance from Kim & Chang. The most realistic assumption seems to be that they planned, staged, and scripted the aspects of the case similarly to the GS Caltex case in 2008. I won't go into detail because it would take too long, but you can look that up. If the scope of the leak was limited, they wouldn't have to pay damages. The damage amount is enormous, so maybe they deliberately planned this to reduce it even though it was going quite far. As a lawyer, I have no other explanation.

(Chairperson Choi Min-hee) Rep. Jung Hye-kyung, please proceed with your questions.

(Rep. Jung Hye-kyung) I am Jung Hye-kyung, a National Assembly member from the Progressive Party, a non-regular worker-turned-lawmaker.

I would like to address a question to Mr. Harold Rogers.

Are Coupang and other U.S.-based companies hostile toward labor unions?

(Coupang CEO Harold Rogers) (Original statement) No, we work with our unions, have negotiations with them and discussions with them.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) That is not correct. We cooperate, negotiate, and discuss with labor unions.

(Rep. Jung Hye-kyung) As you can see... Please pull up the presentation...

(Referring to the screen) If you see the PPT slide, what you see here is a business email, an internal business email.

According to this email, it was anticipated that about 20 to 30 members from the Chilgok Sub-branch of the Coupang Branch under the Korean Public Service and Transport Workers' Union of the Korean Confederation of Trade Unions would set up promotional banners, hold pickets, and distribute flyers at the shuttle bus stop on February 10, 2023, from 5:30 to 7:00 PM. However, if you look at the response plan, it calls for complete containment of all areas with barricades and deployment of response personnel, noting that physical conflict is expected.

This was actually just an ordinary union promotional activity, yet the response was clearly excessive, don't you agree? On this, MOEL Minister Kim, please give us your thoughts.

(MOEL Minister Kim) It appears to be excessive.

(Rep. Jung Hye-kyung) Please move to the next slide. How was this done? As you can see, this is a simulation. This material was created by the company, and it shows how they planned the simulation—like a military operation. They even changed the routes so that union members and commuting workers could not come into contact.

Next slide, please.

This one is from April 25, 2023. They expected about five people to come. It's in Daegu. But how many did the company deploy? Twenty security personnel from a vendor company, plus 17 from local authorities—15 from Chilgok Police Station and 2 from the Western District Office—so including outsourced workers, that's 48 people responding. Minister, they were even more excessive for this one, right?

(MOEL Minister Kim) Yes.

(Rep. Jung Hye-kyung) Please move to the next slide.

And it really did turn into chaos. There were just five people—only five—but the response was excessively heavy-handed. I've visited the sites many times. When we go with the labor union, even lawmakers are blocked from entering. And there had been a worker who was fired simply for distributing union leaflets. This worker had to fight for reinstatement for three years to return.

Even now, many workers are being dismissed for engaging in union activities. Isn't Coupang in fact engaging in anti-constitutional behavior by treating labor unions as rebellious groups? Minister, what is your view?

(MOEL Minister Kim) It seems so.

(Rep. Jung Hye-kyung) Yes, doesn't it?

Please move to the next slide.

This has come up a lot today, hasn't it? The Hermes report. Let's take a quick look at its content. As you can see, the purpose here is entirely about restructuring and splitting the company. If you see the purpose, it states that a labor union will likely be formed—by Coupang delivery workers.

Now, move to the next slide.

It says that the likelihood of union formation is increasing, with the number of Coupang delivery workers exceeding 3,000, and there is a possibility of unionization.

Move to the next slide one more time.

And going forward, the National Assembly's Environment and Labor Committee can request the CEO to appear as a reference witness. Therefore, the recommendation is to reduce the scope of union formation by splitting the company and keep the size as small as possible, since unionization is more common in workplaces with more than 300 employees. That's what it says. Next slide.

It also states that the CEO must be continuously protected. To disperse the risks posed on the CEO, the company should be split. This document clearly says that. So it looks like the Hermes report, this document regarding the spin-off appears to have been intended as a shield for CEO Kim Bom-suk. Next slide.

When Coupang first entered the market, it hired a large number of regular employees. At that time, it aggressively recruited many workers from CJ, which was the leading company then—and still is—claiming that the working conditions and the environment were better, and that pay was higher. But as time went on, as you know, those jobs were downgraded to non-regular positions through the CLS spin-off and subcontracting to agencies, leading to outsourcing. As a result, there have been far more industrial accidents, many of which are now being concealed. At the same time, they have been cracking down on labor unions so much that they are now creating a system in which unions cannot be formed at all.

What I want to say here is this: Mr. Harold Rogers, the act of forcibly splitting the workforce itself fundamentally reflects hostility toward labor unions and undermines constitutional order. Furthermore, the spin-off has led to extensive outsourcing of risk. Working conditions have deteriorated drastically and workers have been converted into special-employment laborers who can be very easily dismissed—to the point that it can't even properly be called "dismissal."

Coupang is currently causing serious problems in Korean society, to the point where it feels like they are mocking and disrespecting our citizens. So, if Coupang truly wants to demonstrate a commitment to change in Korea, I believe the real solution is to go through a process of reintegration—merging these entities—and converting workers to regular employment, thereby creating quality jobs. What are your thoughts on this?

(Coupang CEO Harold Rogers) (Original statement) Respectfully I disagree. There's many reasons why we have the corporate structure the way it is. I'm not aware of it having anything to do with unions. Those pictures you showed—it's because union members trespass on our property and destroy our property and injure our employees. So yes, we put up positions to protect our property and our employees.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Respectfully, there is a reason why we currently have that corporate structure in place. I believe it has nothing to do with the labor union. As for the photo you have seen, in some cases union members have intruded into our business division and caused harm to our employees. We took such measures to protect our staff and safeguard our assets.

(Rep. Jung Hye-kyung) (Mic off) I'm asking about merging. Why are you bringing that up?

(Coupang CEO Harold Rogers) You were talking about that and I was clarifying that right. I already answered your first question.

(Coupang CEO Harold Rogers) (Simultaneous interpretation) Since you said that, I provided the clarification. As for your first question, I have already provided an answer.

(Rep. Jung Hye-kyung) (Mic off) The fact that Coupang is engaging in unfair labor practices, the fact that Coupang loathes labor unions — this is something everyone in the country knows. Denying it does not change it, and throughout this hearing you have continued to tell lies. I see Coupang as being full of lies and hypocrisy.
That is all.

(Chairperson Choi Min-hee) Rep. Kim Hyun, please proceed with your questions.

(Rep. Kim Hyun) Are you ready? Yes. Mr. Park Dae-jun, former CEO, could you come forward? I can't see you. Please come to the witness stand.

(Former CEO Park Dae-jun) Yes.

(Rep. Kim Hyun) You have to submit this every year, right? When was the most recent submission?

(Former CEO Park Dae-jun) We would have submitted it after the financial results for the third quarter were finalized.

(Rep. Kim Hyun) When?

(Former CEO Park Dae-jun) I don't recall the exact date.

(Rep. Kim Hyun) You never seem to remember these important things, do you? The last one you submitted was right before you stepped down, in 2025, correct?

(Former CEO Park Dae-jun) Yes, that's correct.

(Rep. Kim Hyun) Looking at the data dated through 2024, before we get into the details, you are required to submit a report that includes a business description, financial statements, risk factors, and legal issues. If there is any deception, falsehood, or omission, that constitutes a violation, correct?

(Former CEO Park Dae-jun) Yes, that's my understanding.

(Rep. Kim Hyun) Okay. Let's turn to the next page. It says here: "Most of our employees are frontline workers in our fulfillment and logistics operation, and we make their health, safety, and wellness a top priority. We've made significant investments that helped strengthen our leading safety record, which is one of the best in the Korean logistics industry and globally. These investments include Coupang Care." That's what it says, right?

(Former CEO Park Dae-jun) Yes, that's correct.

(Rep. Kim Hyun) Coupang Care—turn to the next page. No, the next one, not that one, the previous page. Coupang Care is a program available only to Coupang Friends, and does not apply to fixed-term or daily temporary workers. Correct? That's how it's stated, right? Fixed-term and daily temporary workers cannot use Coupang Care. Are you aware of that?

(Former CEO Park Dae-jun) As far as I remember, it basically started with Coupang Friends.

(Rep. Kim Hyun) So, earlier in the page, you reported in the 10-K that Coupang is a company that does its best for workers, right? In 2024? But only some workers are included—only full-time employees. So, regarding the 32 deaths that were mentioned, whether they were settled or handled in some way, only one case of an industrial accident is included, and the other 31 deaths are not reflected in the 10-K report, correct? That’s how it has been?

(Former CEO Park Dae-jun) Yes, only when it was recorded as a death from an industrial accident... (Interrupted)

(Rep. Kim Hyun) The report is not intended to include only occupational accident fatalities; it is meant to cover all labor-related risks. It does not imply that only industrial accidents should be reported. In the report, it is stated that health, safety, and wellness are considered a top priority and have always been treated as such. Then, when submitting this report to the U.S., it wasn’t that only regular employees were subject to the report while non-regular or fixed-term workers were not, right? That’s not the context of the SEC filing. But Coupang Inc. did separate them, didn’t it?

(Former CEO Park Dae-jun) I’m not fully familiar with the details of U.S. securities law... (Interrupted)

(Rep. Kim Hyun) No, no. The 10-K report is submitted because Coupang earns 90% of its revenue in Korea, correct? It was not a report only regarding Taiwan or U.S. operations—it was for Coupang Inc., whose 90% of the operations is in Korea. While the report was not intended to include only industrial accidents, it only covered industrial accidents. That’s the point. You may step back now. Now, let’s hear from our reference witness, Kang Min-wook—wait, no, Kang Shin-wook from the union, right? Oh, my apologies—ma’am, is that your name? Then please come forward for a moment.

(Rep. Kim Hyun) The report we’re talking about- it only includes one occupational accident, while other workers’ deaths were not reported. Do you have any comments on this?

(Park Mi-sook (bereaved family)-observer) In fact, after I went through the process of filing for an occupational accident, in a certain year, I saw an interview in a business magazine where Coupang’s CEO Kang Han-seung said that Coupang was a company with zero industrial accidents. Later, when the issue became controversial, a report came out saying there was one industrial accident.

But in actual worksites, a very large number of workers have died, and when their families were going to file for industrial accident claims, I often received calls from them. Because it’s been five years anyway, so whenever an accident occurred, they would often contact me for advice. However, most of them stopped contacting me after some time, and then I would receive text messages saying, “we are very sorry, we have reached a settlement.” I have received such messages or calls several times.

Within Coupang, getting recognized as an industrial accident itself was extremely difficult. And as Chairperson Kang of the Coupang Division of the Delivery Workers' Union mentioned earlier, when an accident occurred, Coupang’s response team often was the first to come to the bereaved family and block us from approaching them. I was once in that situation myself—I went to meet the family but was not even given an opportunity to introduce myself to them. There were countless such cases.

Even when our claim was finally recognized as an industrial accident, it did not happen on its own—we held picket protests and pleaded with lawmakers on our knees, begging for documents. All the

data being presented now is the result of those desperate efforts to be recognized as an industrial accident. In hindsight, it all makes sense.

Watching today's hearing, I feel the same sense of helplessness I experienced during the five years of dealing with Coupang—the helplessness of an individual trying to get an industrial accident claim accepted in this country. I feel that same frustration again today. There is nothing one can do. If even lawmakers cannot hold them accountable, how can one family, one individual fight such a powerful company? We endured five years of hardship, hearing things we should never have had to hear.

To get approval for an industrial accident death, I fought relentlessly, but Coupang never contacted me—not even once—until the approval was granted. We were practically ignored. Even after approval, they completely cut off communication with us, refusing any dialogue. Imagine the contempt we endured. For others, when a settlement offer came, they accepted quickly because it was financially helpful and they had no other choice. For example, before us, there was Ms. Park Hyun-kyung, a cook at the Mokcheon fulfillment center. She passed away three or four months before my son, and it took them three years to get recognized as an industrial accident. When the claim finally went through, they found there was only KRW 1 million left in their bank account. They had no way forward and felt furious having spent six months hospitalized, falling into severe financial hardship. They could not proceed with a civil lawsuit, and her children are now struggling to survive. This is the pain experienced by everyone who has gone through the industrial accident filing process. Many have had to undergo psychiatric treatment during this ordeal. So, for others, filing for the occupational accident claim will not be easy.

(Chairperson Choi Min-hee) Minister of Labor, please respond.

(MOEL Minister Kim) Let me reiterate that the number of workers who died at the workplace and the number of approved industrial accident claims are different. Many workers have died at work, yet only one case was approved for industrial accident compensation. To receive approval, an application must first be filed, but no one has sufficient knowledge about industrial accident claims, and when a family loses someone, they are in a state of shock. Therefore, when a worker suffers an occupational accident, the employer is deemed to have an obligation to actively inform them of the process. Instead, rather than guiding them toward filing an industrial accident claim, other methods were used... Of course, settlements themselves are not inherently bad, but if such settlements were pursued in a manner citing, as mentioned earlier, that the processing time for industrial accident claims is long, or financial reasons, and if clauses were inserted prohibiting disclosure of such during the settlement process, then I seriously suspect that this could very well be considered, in a broader sense, an attempt to conceal industrial accidents.

After this hearing, we will closely examine why these claims were not filed. Admittedly, it will not be easy, as revisiting this issue with the parties involved is difficult, but we will review it thoroughly. I emphasize again that the systematic concealment of industrial accident claims has led to today's hearing, and I hope this serves as an opportunity to reflect on how Coupang is being evaluated by the public. That is all.

(Chairperson Choi Min-hee) Yes, Witness Lee Jae-gul, please come forward. Put the screen up. Mr. Rogers keeps going on about the law—because he's backed by this, right? You know all these people, correct?

(VP Lee Jae-gul) Yes, I do.

(Chairperson Choi Min-hee) VP Lee Jae-gul, where are you from? You're a lawyer, correct?

(VP Lee Jae-gul) Yes, I am a lawyer.

(Chairperson Choi Min-hee) You're from Kim & Chang, right?

(VP Lee Jae-gul) Yes, that's correct.

(Chairperson Choi Min-hee) Where is Kang Han-seung from?

(VP Lee Jae-gul) As far as I know, he was at Kim & Chang just before this.

(Chairperson Choi Min-hee) Where is Lee Jae-hong from?

(VP Lee Jae-gul) My understanding is that everyone over there is from Kim & Chang.

(Chairperson Choi Min-hee) So, are these all? We've only identified this group of people—are there more? You gather these people, and when the KFTC issues corrective orders to stop unfair trade practices, you file lawsuits in the administrative court to avoid fixing those bad practices—is that what you're doing? And when workers suffer industrial accidents, these people or the lawyers under them go to negotiate settlements, correct? Do you call it a settlement where you coax and pressure people who are driven to extreme poverty, paying them pennies to close the case? Mr. Rogers keeps insisting it is in line with Korean law because he knows he is backed by all this. So, does Coupang also have many court liaisons? How many people does Coupang have doing government affairs work aimed at the judiciary?

(VP Lee Jae-gul) As far as I know, there are absolutely none.

(Chairperson Choi Min-hee) Absolutely none? Then it's just these people handling everything, right? Acting as liaisons and the legal team at the same time? So, these people are all doing liaison work, then? With the Prosecutors' Office and the courts?

(VP Lee Jae-gul) I understand that they do not engage in government affairs work.

(Chairperson Choi Min-hee) I honestly think that this Coupang, for a starter, has Kim Bom-suk as the global ghost boss. You really don't get the context of the sentence. Please study Korean before coming here. Don't you understand the point made? Please step down. This is what Coupang is like, my fellow Koreans. Hah... And earlier, regarding the one sentence, which mentioned that signs of tax evasion were discovered, I wanted to ask the NTS Commissioner what those signs were. When the NTS deploys 150 people, they wouldn't do it without reason. It means those signs were considered realistic enough to warrant action, right? What kind of signs are those mainly?

(NTS Commissioner Lim) Well, in Coupang's case, since there are transactions among its affiliated companies, we needed to verify whether those intercompany transactions were appropriate, and that is why we initiated the investigation.

(Chairperson Choi Min-hee) So the appropriateness of the intercompany transactions basically means there was tax evasion involved in the process, doesn't it? In short.

(NTS Commissioner Lim) Well, yes, we initiated the investigation because there were indications of tax evasion.

(Chairperson Choi Min-hee) I believe those people working with Coupang's so-called global ghost boss are acting with the bold confidence that, by putting forward a few lawyers from Kim & Chang, Korea's bureaucratic society and judges and prosecutors will simply do whatever Coupang wants and even change rulings.

Not only that, they also brought in former aides from the National Assembly, who would then meet lawmakers one by one. Now, in the 22nd National Assembly, since the lawmakers refuse to meet them and stick to principles, isn't that they are frantically hitting up other places outside of the National Assembly? Isn't that why they come before the National Assembly acting arrogant and dismissive, sometimes playing dumb and pretending they don't understand, essentially obstructing the Assembly's work? Is the core working unit of the public-private joint investigation team mainly under the Ministry of Science and ICT?

(Deputy Prime Minister Bae) The public-private joint investigation is being spearheaded by the Ministry of Science and ICT.

(Chairperson Choi Min-hee) Yes, so we expect an extraordinary level of resolve from you.

(Deputy Prime Minister Bae) Sure.

(Chairperson Choi Min-hee) We have another hearing tomorrow.

(Holding up the material)

These are materials we requested from Coupang but didn't receive. Executive Secretary Kim Hyun requested progress and contracts related to Coupang's forensic requests to Mandiant, Palo Alto Networks, and Ernst & Young, if such requests were made, as well as raw data and much more. There are also materials requested by Reps. Kim Nam-geun, Lee Hai-min, Oh Gi-hyoung, and Hwang Jeong-ah. You've reviewed these, right? Don't think about going home—take them. We'll need to wrap this up today because the simultaneous interpreters in that booth have been working for 12 hours straight. And the victim of Coupang in the other booth over there, whose face cannot be exposed—ah, have they left? Good. That concludes the questioning. We've finished all the agenda items prepared for today. Thank you to the witnesses and reference witnesses who have been seated for such a long time. Thanks also to the government officials, including the Deputy Prime Minister, for your hard work. Special thanks to the simultaneous interpreters in the booth. And to the lawmakers, aides, chief specialists, committee staff, stenographers, and security officers—thank you for your efforts. This concludes today's meeting. Tomorrow at 10 a.m., we will continue with the second hearing. I declare the meeting adjourned.

Exhibit 13:
CPNG-HJC119-0000833, page 835
December 14, 2025 Statement of Suspect

Mr. [REDACTED] statement

1. I previously worked as a backend engineer at Coupang Corp., and my employment relationship with Coupang terminated in December 2024.
2. In 2025, I obtained some Coupang user data. The Coupang data I obtained did not contain any users' bank information, credit card information, or login credentials.
3. My purpose in obtaining this data is to reveal a specific vulnerability in Coupang's security system. I did not obtain this data for sale, transfer, or any other purpose; it is solely intended to alert Coupang to this security vulnerability.
4. In November 2025, I sent an email to Coupang and some Coupang users informing them of the data security vulnerability. Apart from the aforementioned email, I have not disclosed, sold, transferred, or shared any Coupang user data, or confidential information of Coupang and its users, to any individual or entity outside of Coupang.
5. After my actions were made public, I immediately deleted all Coupang user data. I no longer hold or control any Coupang user data.
6. On December 9, 2025, I was contacted by Coupang regarding user data that Coupang believes I hold.
7. I no longer possess, store, or control any data, information, or files belonging to Coupang or its users. I also no longer own the computer device that was used to store Coupang user data. However, as stated above, I previously deleted all Coupang data from that computer device, therefore the device no longer contains any Coupang data.
8. I hereby declare that the above content is true and accurate, and I am willing to bear legal responsibility for any false statements.

[signature]

Signature: [hw:] [illegible]

[signature]

[signature]

Date: [hw:] 12/14/2025

[signature]

[signature]

[signature]

[signature]

[signature]

[signature]

Page 1 of 1

[signature]

Exhibit 14:
CPNG-HJC119-0000836, pages 845-848
December 17, 2025 Statement of Suspect

Mr. [REDACTED] statement

My name is [REDACTED] I previously worked as an engineer at Coupang in China and in South Korea.

During my time working at Coupang in Korea, I was involved in designing a backup login mechanism. As part of this task, I was one of a very small group of senior engineers with access to a single alphanumeric key. This key could be used to log into Coupang applications in the rarest possible scenario where a primary access operation failed. During this time, I felt that Coupang did not take my suggestions for system improvements seriously.

My employment relationship with Coupang ended on December 31, 2024.

In early 2025, I used the secret key to access Coupang's system without their permission.

In mid-2025, I executed some code I had written to extract information from the user accounts.

This script only retrieved information such as names, addresses, phone numbers, and email addresses. I did not retain or store the data I extracted through the scraping process. Instead, I deleted the data as I extracted them. Throughout the entire period, I saved no more than 3,000 accounts, the vast majority of which were registered with Coupang email addresses, approximately 2,400 accounts. Additionally, I selected one account each from the major and minor administrative regions of South Korea as samples and saved the data information.

For the accounts mentioned above, I ran another script to help me identify which accounts had purchase history and access codes. I did not run the script on any other accounts.

In November 2025, using data collected through a recent scraping campaign, I drafted and sent emails to hundreds of Coupang users who had registered accounts with Coupang email addresses. I now realize that these emails gave the impression that I had unrestricted access to Coupang users' data. In reality, I only accessed a limited number of endpoints and deleted any data scraped from those endpoints almost immediately.

I had mentioned in an email that I had data from Coupang users in Japan and Coupang users in Taiwan. These claims are false; I made such claims because I believed it would make the management take my suggested system improvements more seriously. I have never downloaded or saved data from user accounts in Japan or Taiwan. I do not have access to data from Taiwan or Japan, nor do I believe I have the ability to access such data.

[signature]

1/4

[hw:] [illegible]
[hw:] 12/17/2025

On November 29, 2025, Coupang announced that more than 30 million account information had been compromised. Before the news of the leak was made public on November 29, I had already deleted all the data, except for the data of approximately 3000 accounts used for sending reminder emails.

However, after the announcement on November 29, I realized it was completely inappropriate for me to hold any Coupang account data. Therefore, I took steps to completely delete all the data.

I deleted all the data in the MacBook Air, reinstalled the system, and erased the entire encrypted volume disk. But I couldn't confirm whether the data was unrecoverable, so I completely destroyed the laptop and threw the remains into the river.

I also deleted all data files from my Windows desktop computer hard drive, and used third-party data eraser software to overwrite all bytes three times with the value "1". I was certain that my actions completely erased all the data and made it utterly unrecoverable, and so I kept the desktop computer.

On December 13, 2025, I sent an email to Coupang's email address help@coupang.com using a pseudonym and a disposable email account, informing them that I had deleted all the data, but claimed to have retained a very small portion of Coupang's Taiwan data. This statement was not true. The fact is, I deleted all the data on November 29 and never held any Coupang data from Taiwan.

On December 14, 2025, my lawyer met with Coupang's lawyer in Shanghai. During the meeting, Coupang's lawyer showed my lawyer some materials, proving that I had accessed Coupang's system without authorization. Afterwards, I promised to submit all the devices I owned that were used for unauthorized access.

On December 15, 2025, I handed over four hard drives, a desktop computer case, and a graphics card from my desktop computer to Coupang's lawyers at their office. I also met with a representative from E&Y there and documented the handover process.

During the meeting, I cooperated with the company's investigation and provided the following information, all of which is true and accurate.

I have never transferred data to anyone. All data has always been held solely by me and has not been uploaded to any external devices or cloud services.

[signature]

[signature]

2/4

[hw:] *illegible*
[hw:] 12/17/2025

The code I wrote automatically deleted the data after analyzing it. The code only retained summary information, such as the number of addresses I could access, the number of email addresses, and the number of phone numbers. I never actually retained any real specific information (such as specific addresses, phone numbers, or email addresses), only a small amount of data (data from no more than 3,000 accounts), which was also deleted from my computer on November 29th. In addition, I only accessed a very small number of building access codes and order history data (less than 3000) for the aforementioned accounts, but this data has also been deleted.

I acted alone in this; no one else participated in or knew about my actions.

During my time working in South Korea, I discovered areas for improvement in the Coupang system, but I felt they weren't being taken seriously. I wanted to make Coupang understand the necessity of my suggestions, and so I wrote the key on a piece of paper and took it home.

I do not have access to Coupang data in Taiwan or Japan, nor do I believe I have the capability to do so.

I did not access any financial information, such as credit card or bank account numbers. To the best of my knowledge, it is not possible to access such user information using the backup key.

I did not access any login credentials, including usernames and passwords. To my knowledge, it is impossible to access such information using a backup key.

[signature]

I did not place any orders on any account, nor do I believe I could have done so.

During my meeting with Coupang's lawyers, they accurately pointed out that my unauthorized actions were not always active. I explained that whether my access to Coupang's data was active depended on my personal circumstances at the time.

I want to explain that during my time working at Coupang, I discovered some system improvements that I believed the company should make, but I felt they were not taken seriously. After leaving Coupang voluntarily, I thought the company should implement my suggestions to prevent data leaks, and decided to remind the company to implement these improvements. Therefore, I started my unauthorized actions. My fundamental purpose was twofold: firstly, to draw the company's attention to my suggestions, and secondly, to demonstrate my value by highlighting what I believe to be loopholes within the company.

Now, looking back, I realize that regardless of my original intentions, my actions themselves were wrong.

I have never had any intention to spread, sell, or use any Coupang user information for malicious purposes. I simply wanted to let the company know what I perceived as potential vulnerabilities in the system. That's why I only emailed Coupang users with @coupang.com as their email suffix in November.

[signature]

[signature]

3/4

[hw:] *[illegible]*
[hw:] 12/17/2025

I have repeatedly apologized to Coupang and expressed my willingness to fully cooperate with their internal investigation into this matter. I acknowledge that my radical thoughts and behavior, although not motivated by malicious purposes, are by no means a justification for unauthorized access to Coupang's systems.

I kindly request Coupang to keep my personal information confidential.

On December 14, 2025, I signed a bilateral agreement with Coupang, which requires me to fully cooperate with the company's internal investigation. To fulfill my obligations, I made the above statement in accordance with the terms of the bilateral agreement.

Signature: [hw:] *[illegible]* _____

Date: [hw:] *12/17/2025* _____

[signature]

[hw:] *[illegible]*

[signature]

[signature]

[signature]

[signature]

[signature]

[signature]

4/4

[signature]

Exhibit 15:
CPNG-HJC119-0000869
News Article “NIS ‘Gave No Instructions
to Coupang’ Government vs. Coupang,
‘War of Words Over the Truth’
Continues”

NIS "Gave no instructions to Coupang"...Government vs. Coupang, 'war of words over the truth' continues

입력 2025.12.26 22:43

By Min Seo-Young



Controversy has arisen after Coupang announced on its own, in connection with the large-scale personal information leak, that the former employee identified as having leaked the data had stored information from only about 3,000 accounts. In response, the Seoul Metropolitan Police Agency's Cyber Investigation Division stated, "On the 21st, we voluntarily received from Coupang evidence

including a statement purportedly written by the suspect and a laptop allegedly used in the crime,” and is verifying the facts. The photo shows a Coupang logistics center in Seoul on the 26th. Yonhap News

After Coupang claimed on the 26th that it had ‘investigated the personal data leak under the government’s instructions,’ the NIS, following the police, rebutted that it had “issued no instructions.” The controversy over Coupang’s ‘self-investigation announcement’ has kept the war of words between the government and Coupang going.

In a notice to the press that day, the NIS said, “The NIS is not in a position to issue any instructions to Coupang regarding the Coupang incident. And it has issued no instructions.”

However, it added, “We recognized the large-scale information leak by a foreign national as a national security threat and conducted working-level consultations to collect and analyze related information.” The NIS did not disclose the specific parties or details of those consultations.

Coupang had earlier announced on the 25th that it had questioned the leaker, obtained a confession, and retrieved equipment used in the hacking. When the Ministry of Science and ICT countered that this was a unilateral claim by Coupang, on the 26th the company again stated that it was ‘an investigation conducted under government instructions, not a self-investigation.’ Coupang claims the government proposed on the 9th that Coupang contact the leaker, that it first met the leaker on the 14th, and that it reported this to the government.

Earlier, the police, who are participating with the NIS in the ‘pan-ministry TF (task force) on the Coupang incident,’ also immediately refuted these claims by Coupang. The Seoul Metropolitan Police Agency’s Cyber Investigation Unit said that day, “We have never coordinated with Coupang (about the investigation),”

adding, "We are closely verifying the facts regarding Coupang's self-investigation process."

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Exhibit 16:
CPNG-HJC119-0000876
ChosunBiz Article “Science Committee
Files Charges Against Coupang Chair
Kim Boem-suk and Six Executives”

Science committee files charges against Coupang chair Kim Beom-suk and six executives

By Choi Jung-suk

Published 2025.12.31. 21:07



Kim Beom-suk, chair of Coupang Inc. /Courtesy of Coupang

The Science, ICT, Broadcasting, and Communications Committee decided on the 31st to file a complaint against seven current and former executives of Coupang, including Chair Kim Beom-suk and acting chief Harold Rogers, on charges of violating the National Assembly Testimony and Appraisal Act.

The Science, ICT, Broadcasting and Communications Committee held a plenary meeting and passed the resolution after concluding a joint hearing on the "Coupang incident" with lawmakers from related standing committees, including the Land Infrastructure and Transport Committee, the Climate, Energy, Environment and Labor Committee, and the Foreign Affairs and Unification Committee.

Lawmakers from the People Power Party, who had declared they would not attend the hearing, also did not take part in this vote.

Edema Is Not From Salty Food. Meet the Real Enemy of Swollen Legs.

FootRenew

The Science, ICT, Broadcasting and Communications Committee decided to apply charges under the National Assembly Testimony and Appraisal Act, including nonattendance, to Chair Kim, who failed to appear at the hearing for two consecutive days, as well as Coupang Vice President Kim Yu-seok and former CEO Kang Han-seung.

Acting chief Rogers, along with former CEO Park Dae-jun, Vice President Cho Yong-woo, and auditor Yoon Hye-young, were included on the list to be reported on charges including perjury under the National Assembly Testimony and Appraisal Act.

※ This article has been translated by AI. Share your feedback [here](#).

Exhibit 17:
CPNG-HJC119-0000880, pages 882-883
NIS Legal Basis Document

I, [REDACTED] certify that I am competent to translate from Korean into English and that the translation of the below document is true, accurate, and complete to the best of my knowledge. This translation has been reviewed and verified by a human translator. If you have any questions regarding the translation, please contact me at the email address below.

Typed Name: [REDACTED]

Qualifications: Professional Translator with an MA in Korean-English Interpretation, Seoul, Korea

Email: [REDACTED]@coupang.com

Date: February 4, 2026

[Translation of the official letter from the NIS]

National Intelligence Service (Republic of Korea)

Recipient: Representative Director of Coupang Corp. (via appropriate internal channels)

Subject: Request for Cooperation in Operational Matters Necessary for the Verification and Investigation of Cybersecurity Threats

1. Relevant Legal Basis

- a. Article 4, Paragraph 1, Subparagraph 1(b) of the National Intelligence Service Korea Act: Collection, preparation, and distribution of intelligence on counterespionage, counterterrorism, and international criminal syndicates.
 - b. Article 4, Paragraph 1, Subparagraph 1(e) of the National Intelligence Service Korea Act: Collection, preparation, and distribution of intelligence on cybersecurity, including international and national hacker organizations.
 - c. Article 4, Paragraph 1, Subparagraph 3 of the National Intelligence Service Korea Act: Measures to identify, monitor, deter, and block activities threatening national security, and to protect the safety of the public.
 - d. Article 5, Paragraphs 1 and 2 of the National Intelligence Service Korea Act: Requests for submission of materials and cooperation from state agencies and other entities, and conduct of investigations.
 - e. Articles 102 and 103 of the Basic Guidelines for National Crisis Management: Establishment and operation of the National Cyber Crisis Management Group for a coordinated government response.
- 2.** The National Intelligence Service (including the National Cyber Crisis Management Group), as part of a coordinated government response, request the submission of relevant materials for cause analysis and response measures. We ask for your cooperation in this matter. End of Document.

National Intelligence Service (Official seal affixed)

Person in charge

Cooperating person

Document Reference: 사조-350

Submitted on (December 2, 2025)

Postal code

Phone number

/Fax

/Non-public (2)

Exhibit 18:
CPNG-HJC119-0000887
Statement of “Arthur”

I, [REDACTED] certify that I am competent to translate from Korean into English and that the translation of the below document is true, accurate, and complete to the best of my knowledge. This translation has been reviewed and verified by a human translator. If you have any questions regarding the translation, please contact me at the email address below.

Typed Name: [REDACTED]

Qualifications: Professional Translator with an MA in Korean-English Interpretation, Seoul, Korea

Email: [REDACTED]@coupang.com

Date: February 4, 2026

진술조서

Written Statement

[REDACTED]
Name: [REDACTED] (translator's note: Arthur)

[REDACTED]
Resident Registration Number: [REDACTED]

[REDACTED]
Occupation: Office Worker (Coupang Corp. [REDACTED] Team)

[REDACTED]
Residence: [REDACTED]
[REDACTED]

[REDACTED]
Registered Domicile: [REDACTED]

[REDACTED]
Workplace Address: Coupang Corp., [REDACTED]
[REDACTED]

[REDACTED]

[REDACTED] (e-mail) [REDACTED]@gmail.com

Contact: Home Phone: None / Mobile Phone: [REDACTED]

Workplace Phone: None / E-mail: [REDACTED]@gmail.com

[REDACTED]

Regarding the suspected criminal case of [REDACTED] for violation, etc. of the Act on Promotion of Information and Communications Network Utilization and Information Protection, etc. (Infringement of Information and Communications Network, etc.), the above person voluntarily appeared on January 3, 2026, at 10:19, at Statement Recording Room No. 3 of the Cyber Crime Investigation Division of the Seoul Metropolitan Police Agency and stated as follows.

1. 피의자와의 관계

1. Relationship with the Suspect

[REDACTED]

I have no relationship with the suspect, [REDACTED]

1. 피의사실과의 관계

1. Relationship with the Alleged Facts

저는 피의사실과 관련하여 참고인 자격으로서 출석하였습니다.

I have appeared as a reference witness regarding the alleged facts.

이 때 진술의 취지를 더욱 명백히 하기 위하여 다음과 같이 임의로 문답하다.

At this time, to clarify the purport of the statement, questions and answers were voluntarily exchanged as follows.

문: 「장애인차별금지 및 권리구제 등에 관한 법률」에 따라 경찰은 조사 대상자가 의사소통이나 의사표현에 어려움을 겪는 장애가 있는지 확인하고 필요한 권리보장을 실시하고 있습니다.

진술인은 질문을 듣고 답하는 것에 어려움이 있나요.

Q: Pursuant to the Act on the Prohibition of Discrimination against Persons with Disabilities and Remedy against Infringement of Their Rights, the police are required to check whether a person subject to investigation has a disability that causes difficulty in communication or expression and to provide necessary accommodations to guarantee rights.

Does the declarant have any difficulty in hearing and answering questions?

답: 없습니다.

A: No, I do not.

문: 「발달장애인 권리보장 및 지원에 관한 법률」에 따라 발달장애인일 경우, 전담경찰관에게 조사를 받고 신뢰관계인 동석을 신청할 수 있습니다.

진술인은 지적장애 또는 자폐성장애에 해당하나요.

Q: Pursuant to the Act on Guarantee of Rights and Support for Persons with Developmental Disabilities, if one is a person with a developmental disability, they can be investigated by a dedicated police officer and apply for the presence of a trusted person.

Does the declarant fall under the category of having an intellectual disability or autistic spectrum disorder?

답: 없습니다.

A: No, I do not.

1. 귀하는 일체의 진술을 하지 아니하거나 개개의 질문에 대하여 진술을 하지 아니할 수 있습니다.

1. You may refuse to make any statement or refuse to answer individual questions.

1. 귀하가 진술을 하지 아니하더라도 불이익을 받지 아니합니다.

1. You will not be disadvantaged even if you do not make a statement.

1. 귀하가 진술을 거부할 권리를 포기하고 행한 진술은 법정에서 유죄의 증거로 사용될 수 있습니다.

1. Statements made after waiving the right to refuse to make a statement may be used as evidence of guilt in court.

1. 귀하가 진문을 받을 때에는 변호인을 참여하게 하는 등 변호인의 조력을 받을 수 있습니다.

1. When you are interrogated, you may receive the assistance of a defense counsel, such as having a defense counsel present.

[REDACTED]

Q: Has the declarant been notified of the rights above?

Yes. [REDACTED] (Arthur)

문: 금일 변호인 참여를 희망하나요

Q: Do you wish to be accompanied by a defense counsel today?

[REDACTED]

A: Yes. [REDACTED]

문: 진술인 기준 좌, 우측에 각각 동석한 자는 누구인가요

Q: Who are the persons seated to the left and right of the declarant respectively?

[REDACTED]

A: To my right is Attorney [REDACTED] of Law Firm [REDACTED] and to my left is Attorney [REDACTED] of Law Firm [REDACTED]

[REDACTED]

At this time, the accompanying persons presented their lawyer identification cards [REDACTED]
[REDACTED] born on [REDACTED] Registration No. [REDACTED] [REDACTED] born on [REDACTED]
[REDACTED] Registration No. [REDACTED] confirming their identities.

문: 변호인의 동석을 신청하는 건가요

Q: Are you applying for the presence of defense counsel?

답: 네.

A: Yes.

문: 동석 사유가 어떻게 되나요

Q: What is the reason for their presence?

답: 참고인 조사에 변호사님 입회하에 도움을 받고 싶어서 그렇습니다.

A: I want to receive assistance under the presence of lawyers during the reference witness questioning.

문: 진술 녹화 또는 녹음을 필요로 하나요

Q: Do you require video recording or audio recording of the statement?

답: 네.

A: Yes.

[REDACTED]

Q: Is the declarant [REDACTED] himself?

답: 네.

A: Yes.

이때 진술인이 운전면허증을 제시하므로 본인임을 확인하다.

At this time, the declarant presented a driver's license, confirming his identity.

문: 진술인이 금일 서울경찰청 사이버수사과에 출석하여 참고인 신분으로 조사받는 이유를 알고 있나요.

Q: Does the declarant know the reason for appearing at the Seoul Metropolitan Police Agency Cyber Investigation Division today to be investigated as a reference witness?

답: 네. 알고 있습니다.

A: Yes, I know.

문 : 어떤 이유로 조사받는 것으로 알고 있나요

Q: For what reason do you understand you are being investigated?

답: 금번 쿠팡 개인정보 유출 사건과 관련해서 지난 12. 21.경 서울경찰청에 제공되었던 용의자의 디바이스 관련된 회수 경위에 대해 진술하는 걸로 이해하고 있습니다.

A: I understand it is to state the details regarding the retrieval of the suspect's devices that were provided to the Seoul Metropolitan Police Agency around December 21 in relation to the recent Coupang personal information leakage case.

문: 진술인의 현재 거주지는 어디인가요

Q: Where is the declarant's current residence?

[REDACTED]

[REDACTED]

A: It is [REDACTED]

[REDACTED]

문: 누구와 함께 거주하고 있나요

Q: Who are you living with?

답: 가족들과 거주하고 있습니다.

A: I am living with my family.

문: 가족 구성이 어떻게 되나요

Q: What is the family composition?

답: 와이프와 아이 한명 있습니다.

A: I have a wife and one child.

문: 진술인의 휴대 전화번호는 무엇인가요

Q: What is the declarant's mobile phone number?

[REDACTED]

A: It is [REDACTED]

문: 해당 번호 외에 사용하는 번호는 없나요

Q: Are there any other numbers you use besides that number?

답: 없습니다.

A: No.

문: 진술인은 현재 쿠팡 주식회사에 재직 중인가요

Q: Is the declarant currently employed at Coupang Corp.?

답: 네. 그렇습니다.

A: Yes, that is correct.

문: 소속 부서는 어떻게 되나요.

Q: What is your department?

[REDACTED]

A: I am the [REDACTED] of the [REDACTED] team at Coupang Corp.

문: 진술인의 쿠팡 내 직급은 어떻게 되나요.

Q: What is the declarant's rank within Coupang?

[REDACTED]

A: My official rank is [REDACTED] and my level is [REDACTED]

문: 쿠팡의 레벨 구조가 어떻게 되나요

Q: What is the level structure of Coupang?

답: 제 진술에서 정확하지 못할 수 있는 부분을 감안해주시면 감사하겠습니다. 회사의 직무레벨이 있고, 1부터 시작해서 직급이 숫자가 높아질수록 더 상급자인 형태입니다.

A: I would appreciate it if you could take into account that there may be parts of my statement that are not accurate. There are job levels in the company, starting from 1, and the higher the number, the more senior the position.

문: 최대 높은 레벨이 몇 정도 되나요

Q: What is the highest level?

답: 정확하지는 않지만 9 또는 10 정도 되는 것 같습니다. 정확하지는 않습니다.

A: I am not sure exactly, but I think it is around 9 or 10. I am not exactly sure.

문: 진술인의 레벨이 최상위 레벨부터 치면 몇 단계 아래인가요

Q: How many steps below the top level is the declarant's level?

답: 10, 9, 8.. 밑에 저 인것 같습니다.

A: 10, 9, 8... I think I am below that.

[REDACTED]

Q: Isn't the declarant's external rank [REDACTED] (translator's note: usually meaning, unregistered [REDACTED])?

답: 네. 맞습니다.

A: Yes, that is correct.

[REDACTED]

Q: Is Level [REDACTED] equivalent to [REDACTED]

[REDACTED]

A: I understand that typically, the rank corresponding to [REDACTED] corresponding to [REDACTED] is referred to externally as [REDACTED] (translator's note: usually meaning, registered [REDACTED], or [REDACTED]

문: 레벨 8, 9, 10은 내부 호칭과 대외적 호칭이 어떻게 되나요

Q: What are the internal and external titles for Levels 8, 9, and 10?

답: 8이 전무 정도를 지칭하고, 9레벨이 부사장님으로 지칭합니다.

A: Level 8 refers to *Jeonmu* (translator's note: usually meaning, senior managing director), and Level 9 refers to Vice President.

문: 레벨 10은 어떻게 되나요

Q: What about Level 10?

답: 정확하지 않을 수 있는데 쿠팡 주식회사가 있고 자회사 계열사들이 있는데 직책이 있고 직급이 있을 것인데, 계열사의 규모에 따라서 계열사의 대표이사를 하는 분들 레벨이 8-9 정도로 이해하고 있고, 본사 대표이사를 하시는 분들이 9-

10 정도로 알고 있습니다. 정확하지는 않습니다.

A: This may not be accurate, but there are Coupang Corp. and subsidiaries and affiliates, where there would be positions and ranks. Depending on the size of the affiliate, I understand that those serving as CEOs of the affiliates are around Level 8-9, and those serving as CEOs of the headquarters are around 9-10. It is not exact, though.

문: 내부적인 디렉터와 같은 호칭은 없나요

Q: Are there no titles like "Director" used internally?

답: 쿠팡은 수평적인 조직을 추구하고 있어서 직급을 부르기보다는 닉네임을 부르는 것을 원칙으로 하고 있습니다.

A: Coupang pursues a horizontal organization, so the principle is to call by nicknames rather than calling by rank.

문: 진술인의 연봉은 어떻게 되나요.

Q: What is the declarant's annual salary?

[REDACTED]

A: Salary... am I supposed to talk about that too? The base salary seems to be around [REDACTED] won.

문: 언제부터 쿠팡에서 근무하기 시작했나요

Q: Since when did you start working at Coupang?

[REDACTED]

A: I have worked there since early [REDACTED]

문: 처음 입사하고 들어간 부서와 직급이 어떻게 되나요

Q: What were the department and rank when you first joined?

[REDACTED]

[REDACTED]

A: I joined the same [REDACTED] team, which I am currently in, and my job level was [REDACTED]

[REDACTED]

Q: What rank does Level [REDACTED] correspond to externally?

[REDACTED]

A: It is about [REDACTED] (translator's note: [REDACTED]).

문: 이후 부서가 변경된 적은 없나요

Q: Have you changed your teams since then?

[REDACTED]

A: My upper department has changed, but the [REDACTED] team remained the same.

문: 상위 부서는 어디인가요

Q: What is the upper department?

[REDACTED]

A: Originally, it was the [REDACTED] team under the Service Policy Office, but now it is the [REDACTED] Office under the Logistics Policy Office.

문: 언제 변경되었나요

Q: When was it changed?

답: 년도는 정확히 기억하지는 못하겠는데 조금 오래되었습니다.

A: I don't remember the year exactly, but it has been a while.

문: 오래되었으면 2024년 1월 이전에 변경된 건가요

Q: If it has been a while, was it changed before January 2024?

답: 네네. 그랬던 것 같습니다.

A: Yes, yes. I think so.

문: 입사 후 현재까지 직급의 변화와 시기는 어떻게 되나요.

Q: What have been the changes in your rank and the timing of such changes until now?

[REDACTED]

A: I joined as [REDACTED] and it changed to [REDACTED] in the following year. [REDACTED]. After that, the job levels in our company became further subdivided. 6 became 6-1, 6-2, and 7 became 7-1, 7-2. This is internal information unknown to the outside. I was [REDACTED] and in the second half of [REDACTED] I effectively got promoted to [REDACTED]

[REDACTED]

Q: Do [REDACTED] and [REDACTED] also correspond to [REDACTED] externally?

[REDACTED]

A: Officially within the company, it is just displayed as [REDACTED] and there is no big difference. The level is not displayed at all in the internal employee search.

문: 내부적인 구분이고 외부적으로는 차이가 없다는 건가요.

Q: Do you mean it is an internal distinction and there is no difference externally?

답: 네 그렇습니다.

A: Yes, that is correct.

문: 현재 진술인 소속 부서의 구성원들의 이름과 직급을 진술해보세요.

Q: State the names and ranks of the members of the declarant's current department.

[REDACTED]

A: Even names? Ah... There are General Manager [REDACTED] General Manager [REDACTED] and Manager [REDACTED]

문: 모두 남성인가요

Q: Are they all male?

답: 네, 그렇습니다.

A: Yes, they are.

[REDACTED]

Q: Does the [REDACTED] team comprise just the four people: the declarant, General Manager [REDACTED] General Manager [REDACTED] and Manager [REDACTED]

답: 네네, 그렇습니다.

A: Yes, yes. That is correct.

[REDACTED]

Q: Who is the person in charge of the declarant's department, the [REDACTED] team?

답: 저 입니다.

A: It is me.

문: 진술인이 소속된 상위 부서 물류정책실의 책임자는 누구인가요

Q: Who is the person in charge of the upper department, the Logistics Policy Office, to which the declarant belongs?

[REDACTED]

A: There is Head of the [REDACTED] Office, Senior Managing Director (*Jeonmu*) [REDACTED]

[REDACTED]

Q: Does the declarant only report work to Senior Managing Director [REDACTED] whom you stated as the head of the upper department, and receive work instructions only from [REDACTED]

[REDACTED]

A: Typically, I have always reported in that manner. However, for this matter, I did not report to Senior Managing Director [REDACTED]

문: 금번의 사안이라는건 구체적으로 어떤 사안을 말하는 건가요

Q: When you say "this matter," what specific matter are you referring to?

답: 금번 참고인 조사를 받게된 쿠팡 개인정보 유출 사건에 대한 피의자 증거물품을 회수하는 건에 대한 것입니다.

A: It is regarding the retrieval of the suspect's evidence items for the Coupang personal information leakage case for which I am receiving the reference witness investigation today.

문: 그렇다면 금번 사안은 누구로부터 지시를 받고 누구에게 보고를 한 것인가요

Q: Then, from whom did you receive instructions and to whom did you report for this matter?

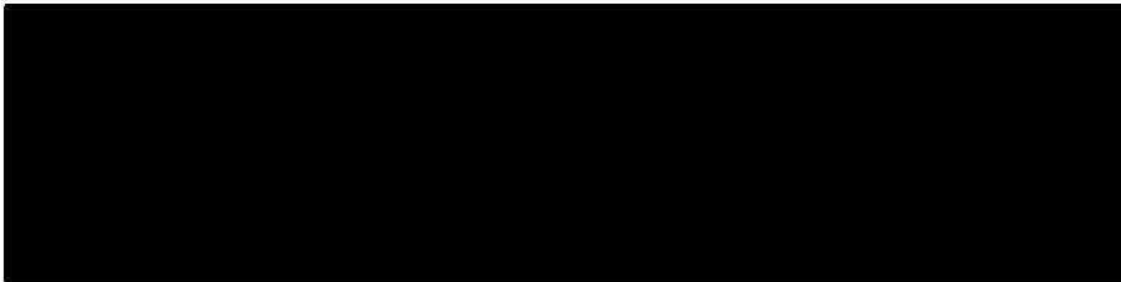
답: 전체적으로 보고라기보다는 내부적으로 공유를 했었고, 시간이 가면서 보고받는 주체는 조금씩 달라지기는 했습니다. 대체적으로는 법무팀 일부와, US리갈, 그러니까 미국 법무에게 공유가 되었습니다.

A: It was more of sharing internally rather than reporting overall, and the subjects receiving the report did change a little over time. Generally, it was shared with parts of the Legal team

and US Legal, meaning the US Legal team.

문: 구체적으로 보고하고 지시받은 자들의 소속과 이름, 직급을 진술해보세요

Q: Specifically state the affiliation, names, and ranks of those to whom you reported and from whom you received instructions.



A: I think I need to elaborate before that.

Originally, there was Senior Managing Director [REDACTED] Head of the [REDACTED] Office, and above him was Representative Director Park, Dae-jun. Until RD Park, Dae-jun resigned, I mainly reported only to him. After he resigned, as mentioned earlier, I shared with parts of the Legal team and parts of US Legal.

문: 공유라고 표현했는데, 어떤 방식으로 공유를 한 것인가요

Q: You expressed it as sharing; in what manner did you share?

답: 시그널 메신저라는 앱으로 공유를 했습니다.

A: I shared via an app called Signal Messenger.

문: 일반 카카오톡과 같은 메신저 앱인 시그널 앱을 이용해 단체 대화방으로 내용을 공유하고 주고 받았다는 건가요

Q: Do you mean you shared and exchanged details via a group chat room using the Signal app, which is a messenger app like regular KakaoTalk?

답: 네, 그렇습니다.

A: Yes, that is correct.

문: 시그널 앱은 언제부터 이용했나요

Q: Since when have you used the Signal app?

답: 몇 년 된 것 같습니다.

A: It seems to have been a few years.

문: 쿠팡 주식회사에 입사하고부터 이용한 것인가요

Q: Have you used it since joining Coupang Corp.?

답: 네. 그렇습니다.

A: Yes, that is correct.

문: 쿠팡 주식회사 내부에서는 대부분 시그널 앱을 통해 업무 관련 대화를 주고 받는 건가요

Q: Within Coupang Corp., do you mostly exchange work-related conversations via the Signal app?

답: 아닙니다. 공식 슬랙이라는 메신저가 있는데...

이따금씩 시그널을 사용하기도 했습니다.

A: No. There is an official messenger called Slack... Occasionally, we used Signal.

문: 공식 메신저에 남기고 싶지 않은 비공식적인 대화들을 시그널 앱을 통해서 한 것인가요

Q: Did you conduct unofficial conversations that you didn't want to leave on the official messenger through the Signal app?

답: 아니요, 그런 것 보다는.. 슬랙 메신저 자체가 사용하기 불편한 점이 많습니다. 이를테면 복사 붙여넣기가 잘 안된다던가, 캡처도 안되고, 그런 것들이 많아서, 빠르게 소통할때는 편의 때문에 다른 메신저 플랫폼으로 사용할 때가 있었던 것 같습니다. 카카오톡도 마찬가지고.

A: No, rather than that... The Slack messenger itself has many inconvenient points regarding usage. For example, copy-pasting doesn't work well, screen capture isn't allowed, and because there were many such things, when communicating quickly, I think we sometimes used other messenger platforms for convenience. KakaoTalk as well.

문: 흔하게 사용하는 카카오톡 대신 시그널 앱을 사용한 이유가 있나요

Q: Is there a reason you used the Signal app instead of the commonly used KakaoTalk?

답: 그.. 딱히 이유는 없습니다. 저희가 외국 사람들도 많고 하다보니까, 한국 사람들과는 카카오톡으로 사용하기도 하는데 외국인들이랑 사용하면 각자 선호하는 플랫폼이 있다보니 다양한 메신저를 쓰게 되었습니다.

A: Well... there is no specific reason. We have many foreigners, and while we do use KakaoTalk with Koreans, when using it with foreigners, since each has their preferred platforms, we came to use various messengers.

문: 시그널에서 보고하고 지시를 받는 대화방은 몇 개가 있었나요

Q: How many chat rooms were there on Signal where you reported and received instructions?

답: 1개였습니다.

A: It was one.

문: 대화방 생성일과 제목과 구성원은 어떻게 되나요

Q: What are the creation date, title, and members of the chat room?

답: 생성일 이런거는 잘 모르겠습니다. 어떤 시점에 초대가 된 것 같습니다. 생성된 방인지 원래 있던 방인지는 잘 모르겠습니다. 방 제목같은건 없었던 같은데 잘 모르겠습니다.

A: I don't really know about the creation date or things like that. I think I was invited at some point. I am not sure if it was a newly created room or an originally existing room. I don't think there was a room title, but I'm not sure.

문: 구성원은 어떻게 되나요

Q: Who are the members?

[REDACTED]

A: You are speaking about this case, right? In that room, there was a person named [REDACTED] [REDACTED] from US Legal, whose real name might not be exact, and from the Korean Legal organization, there was Vice President [REDACTED] and Senior Managing Director (*Jeonmu*) [REDACTED]

[REDACTED]

Q: Was [REDACTED] the only one from US Legal in the chat room?

답: 네네

A: Yes, yes.

[REDACTED]

Q: So was it a total of 4 people: [REDACTED] Vice President [REDACTED] Senior Managing Director [REDACTED] and the declarant, [REDACTED]

답: 네. 그렇습니다.

A: Yes, that is correct.

문: 조금 전 답변에서 이 건에 대해서만 말씀하시는거냐고 물었는데, 이 건 외에는 어떤 대화방이 있나요

Q: In the previous answer, you asked if I was speaking only about this case; what other chat rooms are there besides this case?

답: 그냥 저의 개인 지인들도 있고, 다른 법인, 개인적인 메시지들도 있고 그렇습니다.

A: There are just my personal acquaintances, other legal entities, personal messages, and so on.

문: 시그널 메신저 앱을 쿠팡 내 업무 목적으로만 사용하는 것이 아니라는 건가요.

Q: Do you mean you do not use the Signal messenger app solely for Coupang internal work purposes?

답: 네, 그렇습니다.

A: Yes, that is correct.

문: 본 사건에서 중국에 다녀온 내용에 대해 내부에 보고한 내용이 법무팀 일부와 US 리걸 일부에게 공유했다고 진술했는데, 구체적으로 누구에게 진술한 것인가요.

Q: You stated that regarding the trip to China in this case, the content reported internally was shared with parts of the Legal team and parts of US Legal. Specifically, to whom did you state it?

답: 저는 협업을 했던 기관과 관련된 내용을 메신저에 전달을 했습니다.

A: I forwarded content related to the agency I collaborated with via the messenger.



Q: By messenger, do you mean the group chat room on the Signal messenger app containing a total of 4 people: [REDACTED] Vice President [REDACTED] Senior Managing Director [REDACTED] and the declarant, [REDACTED]

답: 네, 맞습니다.

A: Yes, that is correct.

문: 해당 대화방에 진술인이 참여하고 난 뒤 인원 변동이 있었던 적은 없나요

Q: Has there ever been a change in the number of people after the declarant joined the chat room?

답: 없었습니다.

A: There was not.

문: 법무팀 소속이 아님에도 법무팀과 US리걸로부터 업무지시를 받은 이유는 무엇인가요

Q: What is the reason you received work instructions from the Legal team and US Legal even though you do not belong to the Legal team?

답: 원래는 박대준 대표님께 보고를 드렸으나 어느날 갑자기 박대준 대표님께서 사임을 하셨고, 그 이후부터는 자연스럽게 그 분들에게 전달을 하게 되었던 것 같습니다.

A: Originally, I reported to Representative Director Park, Dae-jun, but one day RD Park suddenly resigned, and since then, I think I naturally came to convey [information] to those people.

문: 박대준 대표와도 시그널 메신저 앱을 통해 대화를 주고 받았었나요

Q: Did you also exchange conversations with Representative Director Park, Dae-jun, via the Signal messenger app?

답: 박대준 대표님은 주로 문자메시지를 한 기억보다는 중요한 일이 있을때 전화로 보고를 드렸던 것 같습니다.

A: With Representative Director Park, Dae-jun, rather than exchanging text messages, my recollection is, I mainly reported by phone when there was an important matter, I believe.

문: 전화 외에도 문자로 보고할 일도 있었을텐데, 이때는 어떤 수단으로 연락했나

요

Q: Besides calls, there must have been times to report by text; what means did you use to contact him then?

답: 사실 글로써 메신저로 소통하는 일은 매우 드물었고, 그 때는 일반 문자메시지도 있었던 것 같고 시그널도 있었던 것 같고 그렇습니다. 통상적으로요, 거의 99%는 전화로 직접 보고를 했던 것 같습니다.

A: Actually, communicating via messenger in writing was very rare, and at that time, I think there were general text messages and also Signal messages. Typically, I think almost 99% of the time I reported directly by phone.

문: 법무팀에서 자체 법무팀 구성원이 이번 사안을 처리했어도 되었을텐데, 진술인에게 역할을 분담한 뚜렷한 이유가 있을까요.

Q: Members of the Legal team could have handled this matter themselves, so is there a distinct reason why the role was assigned to the declarant?

답: 네. 제 생각에는, 최초의 한국의 정보기관과의 연락이 저를 통해서 이루어졌기 때문에 그런 것 같습니다.

A: Yes. In my opinion, I think it is because the initial contact with the Korean intelligence agency was made through me.

문: 정보기관은 무엇을 의미하는 건가요

Q: What do you mean by intelligence agency?

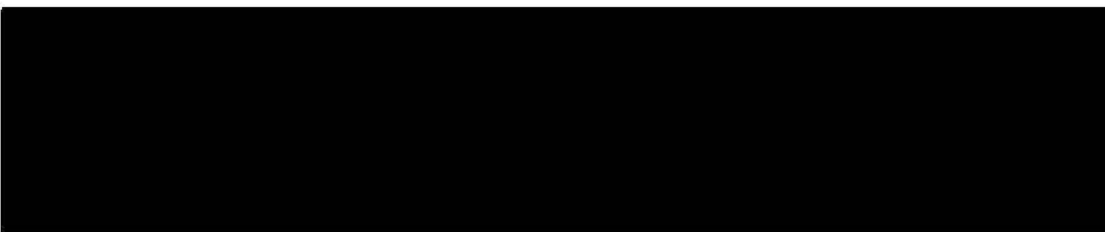
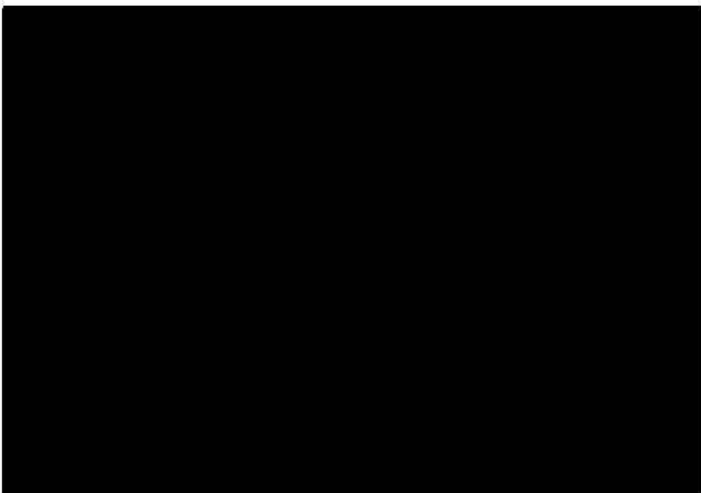
답: 국가정보원입니다.

A: It is the National Intelligence Service (NIS).



At this time, questions and answers continued to be exchanged, while a photograph taken

at the office of [REDACTED] Offices in Shanghai was being shown to the declarant.



Q: We received a video of the suspect taken at the office of [REDACTED] Law Offices in Shanghai, China, on December 17 or 18, 2025, from Coupang. A remote video conference scene via Zoom meeting can be seen on the office wall; is the foreign male appearing here [REDACTED] from US Legal?



A: No. This person belongs to US Legal, and the real name might not be exact. I remember him as [REDACTED] .. as I understand. This could be wrong, so it might not be accurate.



Q: Does [REDACTED] belong to the Korean Coupang Corp. entity or U.S. Coupang Inc.?

답: 사실 제가 그런것 까지는 잘.. 모르겠습니다.

A: Actually, I don't really know... about that.

[REDACTED]

Q: Are the members of the [REDACTED] Team you stated the same as the members around November 16, 2025, when the personal information infringement case was recognized?

답: 네. 동일합니다.

A: Yes. They are the same.

[REDACTED]

Q: What is the reporting hierarchy above Senior Managing Director [REDACTED] the head of the upper department to which you belong?

[REDACTED]

A: In the past, when Representative Director Park, Dae-jun was present, it was me, Senior Managing Director [REDACTED] and RD Park above him. However, I understand it has changed after RD Park's resignation.

문: 어떻게 바뀐 걸로 알고 있나요

Q: How do you understand it has changed?

[REDACTED]

A: Since there's no organization chart in an organized form, I don't know the details, but I understand there is someone else above Senior Managing Director [REDACTED]

문: 지금 현재 대표이사를 말하는 것은 아닌가요

Q: Are you not speaking of the current Representative Director?

답: 아니구요. 다른 분이 그 사이에 한 분 더 계신 걸로 알고 있습니다. 이런 변화들이 최근에 있어서, 제가 시스템을 직접 확인한 건 아니라 부정확할 수도 있습니다.

A: No. I understand there is one more person in between. Since these changes happened recently, I haven't checked the system personally, so it might be inaccurate.

문: 반대로 진술인은 진술인보다 직급이 낮은 사람으로부터 업무 관련 보고를 받나요

Q: Conversely, do you receive work-related reports from people with lower ranks than you?

답: 팀원들에게는 제가 보고를 받습니다.

A: I receive reports from my team members.

문: 다른 팀으로부터 보고받는 일은 없나요

Q: Do you ever receive reports from other teams?

답: 다양한 조직과 일을 할 때에는 그럴 때도 있는데 이 사건 관련해서는 없습니다.

A: That happens when working with various organizations, but it didn't happen regarding this case.

[REDACTED]

Q: Regarding this case, have you not reported anything to Senior Managing Director [REDACTED]

[REDACTED]

답: 없습니다.

A: No, I haven't.

[REDACTED]

Q: Even aside from your trip to Shanghai, China, is there absolutely nothing reported to Senior Managing Director [REDACTED] regarding the personal information leakage case?

답: 네, 그렇습니다.

A: Yes, that is correct.

[REDACTED]

Q: Has Senior Managing Director [REDACTED] not been involved in this case at all?

[REDACTED]

A: No, because he's part of [REDACTED]

[REDACTED]

Q: What are the representative duties and actual detailed duties performed in the [REDACTED] team to which you belong?

답: 쿠팡 및 쿠팡 자회사에서 제공하는 여러 서비스와 비즈니스 관련 영역 운영 전반에 있어서, 정책적인 부분을 검토하고 조언하고, 여러 프로세스들을 개선하는 업무를 맡고 있습니다.

A: In the overall operation of various services and business-related areas provided by Coupang and Coupang subsidiaries, we are in charge of reviewing and advising on policy aspects and improving various processes.

문: 다소 추상적인데, 세부적인 업무들을 예시를 들어 설명해보세요.

Q: That is somewhat abstract; please explain by giving examples of detailed duties.

답: 어.. 예를 들면 고객센터로 인입되는 다양한 고객들의 클레임이 발생했을 경우에, 클레임에 대한 원인을 파악하고, 고객 클레임의 문제해결을 위한 여러 대안을 다양한 조직들과 논의하고, 이 과정에서 회사에서 개선해야할 부분이 있을 경우에는 개선도 하는 업무를 하고 있습니다.

A: Uh... for example, when various customer claims come into the customer center, we identify the causes of the claims, discuss various alternatives for resolving the customers' claims with various organizations, and in this process, if there are parts the company needs to improve, we also perform improvement work.

문: 진술인이 담당하는 구체적 업무는 어떻게 되나요

Q: What are the specific duties you're in charge of?

답: 이와 같은 고객센터를 일례로 들었습니다마는, 쿠팡 및 쿠팡 자회사가 다양한 비즈니스를 수행하고 있기 때문에 비즈니스 운영상에 발생하고 있는 다양한 현안 문제들이 있을수가 있는데, 운영 전반에 대해 정책적인 부분을 검토하고 조언하고 개선 제언하는 업무를 담당하고 있습니다.

A: I took the customer center as an example, but since Coupang and Coupang subsidiaries are conducting various businesses, there can be various pending issues arising in business operations. I am in charge of reviewing policy aspects, advising, and suggesting improvements for the overall operation.

문: 진술인 외에 해당 업무를 담당하는 사람은 누구인가요

Q: Besides you, who else is in charge of those duties?

답: 저희 팀원들도 모두 동일한 업무를 하고 있습니다.

A: My team members are all doing the same work.

문: 진술인의 근무지는 어디인가요

Q: Where is your workplace?

답: 잠실쪽 쿠팡 본사입니다.

A: It is the Coupang headquarters in Jamsil.

[REDACTED]

Q: Does the [REDACTED] team to which you belong also all work at the same workplace?

답: 네. 그렇습니다.

A: Yes, that is correct.

문: 구체적인 층수나 장소는요

Q: What about the specific floor or location?

[REDACTED]

A: It is the [REDACTED] floor.

[REDACTED]

Q: Is the [REDACTED] team office on the [REDACTED] floor?

답: 방이 있는 구조는 아니고 개방된 오피스가 있고, 오피스 자리가 매우 협소해서 자율 스마트 오피스로 근무하고 있습니다. 특정 자리를 예약해서 출근하면 예약된 좌석을 이용해서 근무하는 형태입니다.

A: It's not that we have a room; it's an open office. Since the office space is very narrow, it's set as a hot-desking Smart Office. You reserve a specific desk and when you come to work, you use the reserved desk.

[REDACTED]

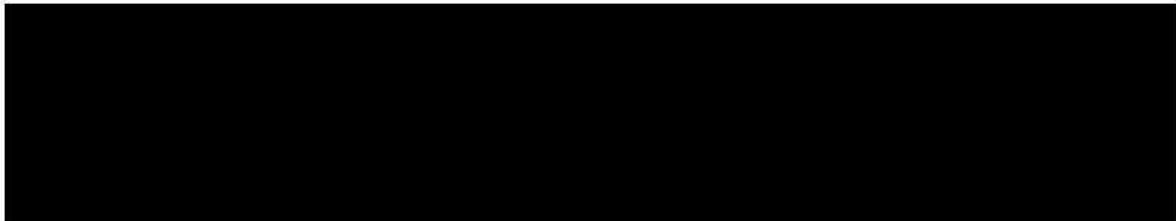
Q: Then does the [REDACTED] team only work on the [REDACTED] floor?

답: 네 그렇습니다. 재택근무를 할 때도 있구요, 그런데 만약 본인이 원하면 다른 스마트 오피스에서 근무할 수도 있습니다.

A: Yes, that is correct. We also work from home sometimes. However, if one wishes, they can work at other Smart Offices.

문: 다른 스마트 오피스는 무엇인가요

Q: What are other Smart Offices?



A: Since the overall building space in Jamsil is narrow, under the concept of Smart Office, one gets allocated a seat they want and works there upon arrival. If there is no seat they want to take on the [REDACTED] floor, they can work on another floor. I understand that most of the spaces we leased are operated in this form.



At this time, upon the request of the declarant [REDACTED] questions and answers continued after a 10-minute break. (11:20-11:30)



Q: What is the primary work arrangement of the [REDACTED] team?

답: 저희 역시도 역시 동일합니다. 주 5일에서 재택할때는 재택근무를 하고, 출근해야 할 경우에는 사전에 근무할 자리를 예약해야 합니다.

A: We are also the same. Out of 5 days a week, when working from home, we work from home, and when we need to come to work, we must reserve a seat in advance.

문: 재택하는 경우와 출근해야하는 경우는 어떤 경우인가요

Q: In what cases do you work from home and in what cases must you come to work?

답: 그냥 일주일 내에 재택하고 싶으면 재택을 하고 출근하고 싶을때에는 출근을

합니다.

A: We just work from home if we want to work from home and come to the office when we want to come to the office during the week.

문: 제약이 없나요

Q: Are there no restrictions?

답: 일단 이게 회사의 공식이고, 제가 필요할 때에는 이 날은 나와라, 월요일은 좀 나왔음 좋겠다, 금요일은 좀 나왔음 좋겠다, 이런 식으로 제가 팀원들에게 요청을 합니다.

A: That is the company's official arrangement, and when I need it, I request my team members like "Come out on this day," "I want you to come on Monday," or "I want you to come on Friday."

문: 기본적으로는 출근과 재택 비율이 쿠팡 주식회사 내부적으로 자율이라는 건가요

Q: Basically, do you mean the ratio of coming to work and working from home is autonomous within Coupang Corp.?

답: 네. 50대 50으로 이해하고 있습니다. 재택 절반, 사무실 나오는거 절반 정도로 이해하고 있습니다. 출퇴근 시간도 조정을 할 수 있거든요.

A: Yes. I understand it as 50-50. I understand it as about half working from home and half coming to the office. Clock-in and clock-out times can also be adjusted.

문: 언론 보도된 쿠팡 사무실과 관련하여, 서울 강남역 인근의 쿠팡의 대관업무 사무실이 별도로 존재한다는 내용의 기사가 있던데요. 진술인은 해당 사무실에 대해 알고 있나요.

Q: Regarding the media-reported Coupang office, there was an article stating that there is a separate Coupang government relations office near Gangnam Station in Seoul. Do you know about that office?

답: 그거는 제가 알기로는 언론보도가 잘못된 사실이 많은 걸로 알고 있습니다.

A: Regarding that, I understand that there are many factual errors in the media reports.

문: 어떻게 잘못된 건가요

Q: How are they wrong?

답: 마치 일부 언론보도에는 대관 비밀 사무실과 같은 언급들이 있던데, 제가 전술한 바와 같이 지금 쿠팡은 잠실역쪽에 있는 본사에 직원들이 전부 수용할 수가 없어서 스마트 오피스, 재택 근무를 병행하여 근무하고 있습니다. 그마저도 수용이 불가해서 여러 오피스 사무실들을 임차해서 한시적으로 사용하고 있는 것으로 알고 있습니다. 그리고 2026년도에 자리가 너무 협소해서 광진구로 이전 계획을 가지고 있는 걸로 알고 있습니다. 그렇기 때문에 강남 사무실이라는 곳 역시 잠실 본사에 전부 수용할 수 없기에 있는 스마트 오피스에 하나인 걸로 알고 있습니다.

A: Some media reports mentioned it like a secret government relations office, but as I stated before, Coupang cannot accommodate all employees at the headquarters near Jamsil Station, so we are working by combining Smart Office and working from home. Even that is not enough to accommodate everyone, so I understand we are leasing various office spaces and using them temporarily. And I understand there is a plan to move to Gwangjin-gu in 2026 because the space is too narrow. Therefore, I understand that the place called the Gangnam Office is also one of the Smart Offices that exist because everyone cannot be accommodated at the Jamsil headquarters.

문: 강남역 인근 사무실이 대관업무 사무실은 아니라는 건가요

Q: Do you mean the office near Gangnam Station is not a government relations office?

답: 제가 알기로는 거기는 사회 공헌 활동하는 쿠팡 내 조직이 있는걸로 알고 있습니다.

A: To my knowledge, an internal Coupang organization doing social contribution activities sits

there.

문: 정확한 위치나 주소를 알고 있나요

Q: Do you know the exact location or address?

답: 강남역 인근으로 알고 있는데 주소는 잘 모르겠습니다.

A: I know it is near Gangnam Station, but I don't know the address.

문: 가본 적이 있나요

Q: Have you ever been there?

답: 한 번 가봤습니다.

A: I have been there once.

문: 언제 어떤 일로 가본건가요

Q: When and for what matter did you visit it?

답: 그냥 그때 지나가다가 거기 아시는 분이 있어서 잠깐 인사하러 갔었습니다.

A: I was passing by and dropped by the office just to say hello to somebody that I know because he was there.

문: 아시는 분이 누구인가요

Q: Who is that person you know?

답: 잠실에 있다가 조직 이동해서 사회공헌 조직으로 가신 분들이 있었습니다.

A: There were people who were in Jamsil and then moved to the social contribution organization.

문: 언제쯤 인가요

Q: Around when was that?

답: 한, 두달 정도 전으로 알고 있습니다.

A: I understand it was about a month or two ago.

문: 지금도 해당 사무실이 운영되고 있나요

Q: Is that office still operating?

답: 그건 잘 모르겠습니다. 그리고 언론에 보니 아무런 표시도 없는 비밀 사무실이라고 되어 있는데, 가보니 쿠팡 로고도 있고 했습니다. 여담입니다.

A: I don't know. Also, the media said it was a secret office with no signs, but when I visited, there was a Coupang logo and everything. That's an aside.

문: 해당 사무실에서 박대준 전 대표가 근무하거나, 박대준 대표의 사무실이 그 곳에 존재했던 적이 있나요

Q: Did former RD Park, Dae-jun work at that office, or did RD Park's office ever exist there?

답: 그런 부분까지는 제가 상세히 알지 못합니다마는... 다소 부정확할 수 있으나 제 기억에 의해서 몇 가지 부연을 드린다면 올해 초에 민주당에 을지로위원회라는게 있습니다. 을을 지키는 위원회라고 하는데.. 을지로위원회 주관의 사회적 대화 기구가 있습니다. 그 사회적 대화 기구에서 올해 초인지 작년인지 모르겠는데 어느 시점에 해당 기구에 참여하신 박대준 대표님께서 쿠팡의 사회적 공헌 활동을 강화하고 관련 조직을 신설해서 사회 후원 공헌 활동을 하시겠다고 말씀하신 적이 있었습니다. 거기에 대한 후속 조치로 사회공헌 조직이 신설됐고, 그런 조직이 뒤늦게 올해 갖춰지면서 그 분들이 수용할 수 있는 자리가 없어서 강남에서 근무한 것으로 저는 이해하고 있고, 사회공헌 위원장님이 박대준 대표님이셨기 때문에 그 조직에 가서 회의를 하거나 가셨던 건 위원장님이기 때문에 자연스러운게 아니었나 생각을 합니다.

A: I don't know those details...and it might be somewhat inaccurate, but if I elaborate on a few things based on my memory, there was something called the Euljiro Committee in the Democratic Party early this year. It's called the committee that protects "Eul" (the underdog)...and there is a social dialogue body organized by the Euljiro Committee. In that social dialogue

body, although I'm not sure if it was early this year or last year, at some point, RD Park, Dac-jun, who participated in that body, once said he would strengthen Coupang's social contribution activities and establish a related organization to perform social sponsorship and contribution activities. As a follow-up measure to that, a social contribution organization was established, and as such organization was belatedly built this year, I understand they worked in Gangnam because there were no seats to accommodate them. Since the chairman of the Social Contribution Committee was RD Park, I think it was natural for him to go to that organization for meetings or visit the office because he was the Chairman.

문: 진술인이 알기로는 박대준 대표의 사무실이 강남 오피스에 있었던 건 잘 모르겠고 사회공헌 위원장이었기 때문에 사회공헌 조직이 근무하던 곳에 갔을 수는 있을 것 같다는 건가요

Q: So you're saying you don't know well if RD Park, Dac-jun's office was in the Gangnam office, but since he was the chairman of the Social Contribution Committee, he might have gone to where the social contribution organization was working?

답: 가는 건 자연스러운 일이라고 생각합니다.

A: I think going there is a natural thing.

[REDACTED] R.
Q: Besides the [REDACTED] team, where does the Legal team work?

답: 법무팀은 잠실 본사에 근무하고 있습니다.

A: The Legal team works at the Jamsil headquarters.

[REDACTED]
Q: Does the Legal team also have no individual offices and use Smart Offices like the [REDACTED] team?

답: 네, 재택근무와 스마트오피스 형태의 자율좌석제를 같이 하고 있는걸로 알고

있습니다.

A: Yes. I understand they are doing both working from home and the hot-desking system in the form of Smart Office.

문: 법무팀 구성은 어떻게 되나요

Q: What is the composition of the Legal team?

답: 법무팀이 여러 종류가 있어서 그것 까지는 잘 모르겠습니다.

A: Since there are many types of Legal teams, I don't really know about that.

문: 법무팀이 하나가 아니고 여러 종류가 있다는건 어떤 의미인가요

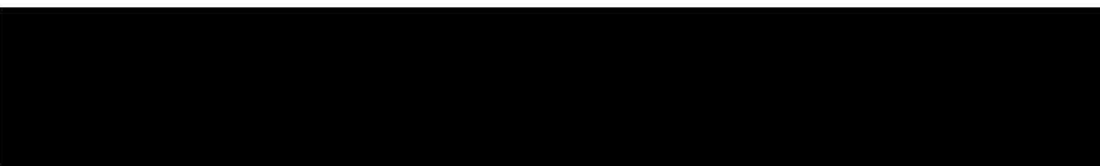
Q: What does it mean that the Legal team is not one but there are many types?

답: 법무라는 업무가 상당히 분야가 넓기 때문에, 그런 것들이 각 파트별로 나뉘어 있는 것으로 알고 있습니다. 그래서 제가 직접 관장하고 있는 업무 범위가 아니라서 잘 모르겠습니다. 참고로 저희 회사가 제택, 스마트오피스를 하다 보니, 코로나 이후로, 대면 미팅은 하지 않고 해서 얼굴도 잘 모릅니다.

A: Since the work scope of legal affairs is quite broad, I understand that such things are divided into each part. So, since it is not the scope of work I directly supervise, I'm not sure. For reference, since the arrangement of the company is working from home and Smart Office, since COVID-19, we don't do face-to-face meetings, so I don't even know their faces well.

문: 법무팀 산하에 다른 파트들이 나누어져 있다는 건가요

Q: Do you mean there are multiple parts divided under the Legal team?



A: Yes. I am not sure if it is separated into teams or how to express it. For example, our team is the [redacted] team, but actually, it is written as [redacted] When expressing

externally, terms like 'team' and 'office' are mixed.

문: 회사에 조직도나 직원을 검색할 수 있는 앱이 있나요

Q: Is there an app in the company for searching for the organization chart or employees?

답: 인사시스템이 있습니다.

A: There is an HR system.

문: 인사시스템은 어떻게 접근할 수 있나요

Q: How can one access the HR system?

답: 어떠한 회사 내에 인증 절차를 거쳐 접근할 수 있습니다.

A: One can access it through an authentication process within the company.

문: 지금 진술인이 인사시스템에 들어가서 직원 조회를 할 수 있나요

Q: Can you enter the HR system and search for employees right now?

답: 인증 절차를 거치면 가능할 것 같습니다.

A: I think it would be possible if I go through the authentication process.

문: 여기서도 가능한가요

Q: Is that possible here, too?

답: 휴대폰으로 하는 것과 피시로 하는 것은 차이가 있을 것 같습니다.

A: I think there will be differences between doing it with a mobile phone and doing it with a PC.

문: 어떤 차이가 있나요

Q: What kind of differences are there?

답: 휴대폰은 약식 형태로 보여주는 것으로 기억합니다.

A: I remember the mobile phone shows it in an abbreviated form.

문: 약식이더라도 특정 직원의 소속된 부서와 소속 여부 정도는 확인할 수 있나
요

Q: Even in an abbreviated form, can you check at least the department a specific employee
belongs to and whether an employee belongs to a specific department?

답: 기초적인 인사 정보는 확인할 수 있을 것 같습니다.

A: I think I can check basic HR information.

문: 휴대폰에 조회 앱이 깔려 있는건가요

Q: Do you have the lookup app installed on your mobile phone?

답: 네. 워크데이라는 앱이 설치되어 있습니다.

A: Yes. An app called Workday is installed.



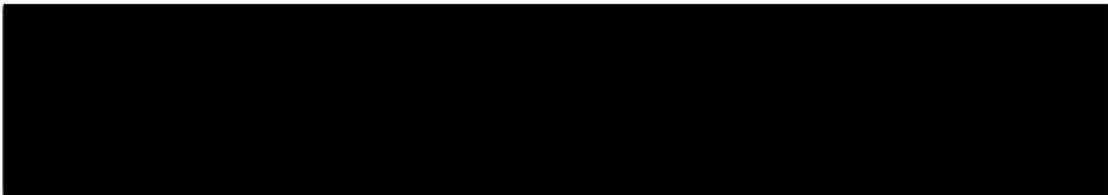
Q: Can you run a search and check the current affiliation of [REDACTED] and [REDACTED]
[REDACTED] on the app?

답: 네, 한번 해보겠습니다.

A: Yes, I will try.

이 때, 진술인이 외투 주머니에서 스마트폰을 꺼내 조작하다.

At this time, the declarant took out his smartphone from his coat pocket and operated it.



At this time, Attorney [REDACTED] asked, "This corresponds to a search, right? One can refuse, right?" and when the investigator answered that one can refuse, [REDACTED] asked if he could just call it out, and answered.

문: 어떻게 확인이 되나요.

Q: What does it say?

[REDACTED]

A: [REDACTED] affiliation appears as ADMINISTRATION, and [REDACTED] is listed as [REDACTED] name is [REDACTED]

문: 해당 워크데이 앱은 쿠팡에서 자체 개발한 앱인가요.

Q: Is the Workday app an app developed by Coupang itself?

답: 아닌걸로 알고 있습니다. ERP 처럼 개발되어 판매되는 앱으로 알고 있습니다.

A: I understand it is not. I understand it is an app that is commercially developed and sold like ERP.

문: 워크데이 앱에서는 한국 쿠팡 주식회사에 소속된 사람들만 조회되는 건가요.

Q: On the Workday app, can only people affiliated with the Korean Coupang Corp. be viewed?

답: 제가 알기로는, 상세하게는 잘 모르지만 쿠팡 주식회사만 보였던 것 같고 자회사 같은 경우는 안뜨는 경우도 많았던 것 같습니다.

A: As far as I know, though I don't know in detail, I think only Coupang Corp. was visible, and in cases like subsidiary companies, I think there were many cases where they didn't appear.

문: 쿠팡 주식회사 외에 쿠팡 INC 직원도 검색되나요.

Q: Besides Coupang Corp., do Coupang INC employees also show up in search?

답: 사실 제가 쿠팡 INC 사람들을 업무를 하면서 마주칠 일이 없어서, 조회를 해

본 적이 없습니다.

A: Actually, since I have no occasion to encounter Coupang INC people while working, I have never searched for them.

문: 쿠팡 INC 김범석 의장은 조회가 되나요

Q: Can Coupang INC Chairman Kim, Bom-suk be searched?

답: 예전에 호기심에 한번 해봤는데 안뵈었습니다.

A: I tried it once out of curiosity in the past, but he didn't appear.

Q: You stated previously that you reported most of your work to former RD Park, Dae-jun through Senior Managing Director [REDACTED] is that correct?

A: Yes, but I do not know how Senior Managing Director [REDACTED] reported to RD Park, and I just reported my duties to Senior Managing Director [REDACTED]

문: 진술인이 박대준 전 대표에게 직접 연락한 일은 없나요

Q: Have you ever contacted former RD Park, Dae-jun directly?

답: 이번 일과 같은 예외적인 사태에서는 전화보고를 했던 일이 있었고, 그 외에는 일련의 안부 연락. 새해복 많이 받으세요 같은 것 외는 전화를 할 일이 없었습니다.

A: In exceptional situations like this case, there were times I reported by phone, and other than that, there were a series of greeting contacts, like "Happy New Year." Aside from those things, I had no occasion to make a call.

문: 이번 일로 직접 박대준 전 대표에게 보고한 건 언제부터인가요

Q: Since when did you report directly to former RD Park, Dae-jun regarding this matter?

답: 날짜는 정확하지 않을 수 있는데 2025. 11. 30.이었던 것 같습니다. 일요일이었던 것 같습니다.

A: The date might not be exact, but I think it was November 30, 2025. I think it was Sunday.

문: 정확히 어떤 내용을 보고했나요

Q: Exactly what content did you report?

답: 개인정보 유출 사태가 벌어졌고.. 날짜에 대한 착오가 있을 수 있으니 감안해 주시기 바랍니다. 개인정보 유출에 대한 홈페이지 공지와 국민들에게 통지를 했던 시점이 있었는데, 주말이었던 걸로 기억합니다. 그때 통지와 더불어 여러 가지 공론화가 되고 나서 그날 오후 늦은시간에 과기부 부총리 주제로 비공식 회의가 열렸거든요. 언론 기사 찾아보면 있을겁니다. 과기부 부총리 주제로 박대준 전 대표 이사님이 참여하셨구요. 경찰청장님, 국정원3차장님 비롯 참석하셨는데 그제 끝나고 저한테 전화를 주셨습니다 박대준 대표님이.

박대준 대표님이 이동하면서 기자들에게 90도 사과하고 했던 날이거든요.

A: A personal information leakage situation occurred... Please take into account that there might be an error regarding the date. There was a time when we posted a notice on the webpage about the personal information leakage and notified the public, and I remember it was on a weekend. Along with the notification then, various things became public issues and after that, an unofficial meeting hosted by the Deputy Prime Minister of the Ministry of Science and ICT (MSIT) was held late that afternoon. You will find it if you search media articles. Former RD Park, Dae-jun participated in the meeting hosted by the Deputy Prime Minister of MSIT. The Commissioner General of the Korean National Police Agency, the 3rd Deputy Director of the NIS, and others attended, and after the meeting ended, RD Park called me. It was the day RD Park made a 90-degree bow in apology to reporters while moving.

문: 과기부 주총리 주제 회의가 있던 날 회의 끝나고 저녁에 박대준 전 대표가

진술인에게 전화했다는 건가요

Q: Do you mean former RD Park, Dae-jun called you in the evening after the meeting hosted by the Deputy Prime Minister of MSIT?

답: 네네.

A: Yes.

문: 휴대폰으로 전화를 받은 건가요

Q: Did you receive the call on your mobile phone?

답: 네네.

A: Yes.

문: 당시 사용하던 휴대 전화번호가 지금 번호와 같나요

Q: Is the mobile phone number used at that time the same as your current number?

답: 네.

A: Yes.

문: 기기는요

Q: What about the device?

답: 똑같습니다.

A: It is the same.

문: 박대준 전대표가 전화로 뭐라고 했나요

Q: What did former RD Park, Dae-jun say on the phone?

답: 어.. 그때 회의를 했는데, 앞전에도 기억을 해보니까. 전날 같은 경우에도 이런건 물어봤습니다. 경찰 공지문구를 검토하면서 경찰쪽에 이런걸 물어봐서 의견

을 청취하라고 했었긴 했구요. 본격적인건 11월 30일로 기억합니다.

그리고 전화가 와서 자리를 갔더니 거기 참석하신 분들이 중국 국적 전직 직원을 왜 어떻게 용의자로 특정했는지 물었다고 했구요. 왜 이렇게 용의자를 특정할 수 있었는지 본인이 아시는 부분에 대해 설명했다고 했고, 그러면서 이건 초기에 용의자 특정되지 않은 해킹 사건들과 다르게 용의자가 특정되어 있는 사건이다 보니, 박대준 대표가 그 자리에서 용의자의 디바이스에 대한 회수에 필요성을 이야기했다고 들었습니다.

그러면서 회수의 필요성에 대해서 국민적 불안감을 해소하기 위해 회수의 필요성을 말씀했다고 하셨구요. 거기에 따른 질의들을 그 자리에 계신 분들이 하셨다고 했구요. 그 중에서 국정원 3차장님께서 여러 많은 질문들을 하셨다고 했습니다. 그리고 3차장님이 박대준 대표님께 질문을 많이, 관심있다는 뜻이 많이 했다고 저한테 얘기를 하셨고, 그러면서 저한테 말씀하시기를 "국정원에서 연락이 올 수도 있을 것 같다"고 하셨습니다.

A: Uh... He said they had a meeting then, and if I recall the previous time... He did ask things like this on the previous day, too. He did tell me to ask the police certain questions and listen to their opinions while reviewing the notice text. I remember the full-scale conversation was on November 30.

And he said, he went to the forum after getting a call, and the people attending asked why and how the former employee of Chinese nationality was identified as a suspect. He said he explained the parts he knew about why and how the suspect could be identified and he talked about the need to retrieve the suspect's device during the meeting because this was a case where the suspect was identified, unlike hacking cases where the suspect is not identified in the initial stage.

And regarding the necessity of retrieval, he said he spoke about the necessity of retrieval to resolve public anxiety. He said the people present there asked questions following that. Among them, he said the 3rd Deputy Director of the NIS asked many different questions. And he told me that the 3rd Deputy Director asked him many questions, as if he was interested, and while describing that, he told me, "I think the NIS might contact us."

문: 박대준 전 대표가 얘기한 국정원의 연락은, 국정원에서 진술인에게 연락할 수

있을 것 같다는 말인가요

Q: This contact from the NIS that former Representative Director Park Dae-jun mentioned, does this mean that the NIS might contact you?

답: 회사요. 인입되는 방식은 다양하지 않습니까. 고객센터도 있고. 저한테 연락한 취지는 그렇게 이해했습니다. 어떠한 형태로든 국정원에서 연락올 수도 있을 것 같으니까, 왕왕 연락오는 게 누락될 수 있으니 누락되지 않게 잘 챙겨보라는 취지로 저한테 얘기하신 것 같습니다.

A: The company. The method of intake may vary. It can also come through the customer center. To my understanding, that was the purpose of contacting me. Since it seems that NIS might contact the company in any form, and since such frequent contacts may be missed, I should keep track of them so they do not get missed. I think this was the intent when he contacted me.

Q: Why did former RD Park, Dae-jun contact you directly and not Senior Managing Director [REDACTED] the head of your upper department?

답: 그냥.. 이게 적절할 표현일지 모르겠는데. 제가 꼼꼼하게 일 잘해서 그랬던 것도 있는 것 같고. 두 번째는, 저희가 최초 이 일이 발생했었을 때 공지문 통지문 같은걸 공표하기 전에 내용 검토할 때 경찰 쪽에도 문의를 해봐라 이런 역할들을 제가 초기에 잠깐 했었기 때문에 전화한게 아닐까 하는 생각도 들고, 왜 저한테 했는지 저는 명확히는 잘 모르겠습니다.

A: Just... I don't know if this is an appropriate expression, but I think it's partly because I work well and meticulously. Secondly, when this incident first occurred, in the beginning, I briefly played the role of inquiring the police before publishing things like a notice or a notification. Maybe that is why he called me first. I don't know clearly why he called me.

문: 박대준 전 대표가 경찰 쪽에 의견을 물어보라고 했는데 무슨 의견을 물어보라고 한건지

Q: You mentioned that former RD Park, Dae-jun told you to ask the police for their opinion. What kind of opinion was he referring to?

답: 공지문, 통지문에 중국 국적 용의자 내용을 기재해도 되는지 의견을 청취해달라는 내용이 있었고, 절대 안된다고 해서 그걸 포함하지 않은 기억이 있습니다.

A: It was an opinion on whether we can state the details of the suspect, who was a Chinese national, in the notice and the notification, and I remember that we didn't include them because I was told absolutely not to.

문: 물어본 게 언제인가요

Q: When did you make this inquiry?

답: 조금 차이가 있을 수 있는데, 2025. 11. 29., 11. 30. 주말이었던 것 같은데, 어쨌든 공지한 날 오전인 것 같습니다.

A: There might be a slight difference in the timing, but I think it was the weekend of November 29 or 30, 2025. Anyway, I think it was the morning of the day we published the notice.

문: 정확히 조금 전 진술한 박대준 전 대표와의 통화가 언제인가요

Q: This call with former RD Park, Dae-jun that you just mentioned, when did it occur exactly?

답: 공지 이후에 화제가 되어 부총리님이 회의를 잡은거고, 회의를 했던 날 통화를 진술한 겁니다.

A: After we published the notice, it became widely discussed, so the Deputy Prime Minister scheduled a meeting. My statement was regarding the call that happened on the day of this meeting.

문: 박대준 전 대표와 위 진술 전, 후로도 연락한 적이 없나요

Q: Did you not maintain any contact with former RD Park, Dae-jun before or after this call?

답: 했죠. 그 후로도 계속 했습니다.

A: I did. I continued to contact him after that.

문 : 평소 연락을 많이 하지 않는 사이라고 하지 않았나요

Q: Didn't you say that you do not usually contact each other as much?

답: 평소 안부 연락만 드렸던 편이고, 궁금한 내용이 있을때만 저한테 전화를 해서 통화하고 했었죠.

A: I would usually say my greetings, and he called me only when there was something he was curious about.

문: 진술한 통화 이후에는 어떤 통화들을 했었나요

Q: What did you talk about after the aforementioned call?

답: 아니나 다를까 그 다음날에, 국정원으로부터 회사에 연락이 왔다고 하는겁니다. 그래서 그 연락처를 제가 전달을 받아가지고 제가 그 연락처로 전화를 드렸습니다.

A: Sure enough, the next day, I heard that the NIS contacted the company. I was shared with the contact number and I called that number.

문: 국정원은 회사에 어떤 방식으로 연락을 했나요

Q: How did the NIS contact the company?

답: 그때 저희가 사실, 이 사건을 인지했던 시기가 KISA, 서울경찰청을 언제 모셔서 설명을 드렸었는데 그 때 저도 이 상황을 인지했거든요. 그때 참석한 기술적인 설명을 하셨던 분들 중 한 분이, 국정원에서 자신에게 연락이 왔다고 했었습니다.

A: At that time, in fact, the time that we recognized this incident... We invited KISA and the Seoul Metropolitan Police Agency and explained the details of this incident, which was when I also came to know of it. Among those who attended this meeting, one person gave a technical explanation, and he mentioned that the NIS had contacted him.

문: 연락받은 한 분이 누구인가요

Q: Who is this person who received the contact?

[REDACTED]

A: I don't know exactly who it is, but my understanding is that he is someone under [REDACTED]
[REDACTED] the [REDACTED]

[REDACTED]

Q: Do you mean that the NIS directly reached out to an employee under the [REDACTED]

답: 네네.

A: Yes, yes.

[REDACTED]

Q: State what you know about this employee under the [REDACTED]

[REDACTED]

A: I believe it was a Korean national's nickname: [REDACTED] This might not be accurate.

문: 진술인은 국정원 직원의 연락처를 누구로부터 전달받은 건가요

Q: Who shared the contact number of the NIS official with you?

[REDACTED]

A: The reason I said I don't know well is, I don't know if [REDACTED] received the contact details directly or if he was shared with the contact details from someone else and simply relayed it to me. In any case, I received the contact number through [REDACTED]

[REDACTED]

Q: Can you provide the contact number of this person named [REDACTED]

[REDACTED]

A: I can, but he is probably the person who gave the initial complainant statement for Coupang. I think his surname was [REDACTED] and I don't know his first name, but I think he is the one who gave the complainant statement.

[REDACTED]

Q: The complainant statement was given by [REDACTED] of the Coupang Legal team, is that correct?

답: 법무팀은 아니었습니다.

A: It was not the Legal team.

[REDACTED]

At this time, Attorney [REDACTED] provided an answer.

답: 헛갈려하시는 것 같으니, 요청주시면 저희가 정리해서 답변드리겠습니다.

A: It seems that he does not recall this with accuracy. Upon your request, we will compile the information and provide an answer.

이어 진술인에게 묻다.

Continuing with the questions to the declarant.

[REDACTED]

Q: You mentioned that you can provide the contact number. Can you provide the contact number of the person whom you know as [REDACTED]

답: 네.

A: Yes.

[REDACTED]
At this time, Attorney [REDACTED] provided an answer.

[REDACTED]
A: This seems to require the consent of [REDACTED] so let me look into this and get back to you.

[REDACTED]
Q: Do you mean to say that you will not provide [REDACTED] contact number now?

답: 추후 확인해서 말씀드리겠습니다.

A: I will look into it and get back to you.

문: 전달받은 국정원 직원의 이름과 연락처는 어떻게 되나요

Q: What is the name and the contact number of the NIS official that was shared with you?

[REDACTED]
A: It was Director [REDACTED] of the Investigation Division, and the contact number is [REDACTED]

문: 연락처를 전달받은 날이 언제인가요

Q: When did you receive the contact number?

답: 2025. 12. 1.입니다.

A: It is December 1, 2025.

문: 박대준 전 대표가 사임한 날이 언제인가요

Q: When did former RD Park, Dae-jun resign?

답: 제가 날짜는 정확히 기억나지 않는데, 서울경찰청에서 압수수색 들어온 이튿날이었습니다.

A: I don't remember the date exactly, but it was the day after the search and seizure came in from the Seoul Metropolitan Police Agency.

문: 서울경찰청에서는 2025. 12. 9.경 압수수색을 시작했는데, 2025. 12. 10.경 사임한 걸로 보이는데 맞나요

Q: The Seoul Metropolitan Police Agency started the search and seizure around December 9, 2025, and it appears he resigned around December 10, 2025. Is that correct?

답: 그런 것 같습니다.

A: I think so.

문: 2025. 12. 1.경 국정원 연락처를 넘겨받은 이후로, 박대준 전 대표가 사임한 2025. 12. 10.까지 일자별로 어떤 지시를 받고 보고를 했는지 기억나는대로 진술해 보세요

Q: From December 1, 2025, when you received the NIS contact number to December 10, 2025, when former RD Park, Dae-jun resigned, explain what kind of instructions you have received and what reports you have made each day to the extent that you remember.

A: On December 1, 2025, I called Director [REDACTED] of the NIS Investigation Division.

[REDACTED]

[REDACTED]

I first said, "This is [REDACTED] from Coupang. I called because I heard you contacted us." When I said that, I don't think he first identified himself to be someone from the NIS. I think he said, "Can we come near the company to meet you and talk?" So I said, "Since I am not at the company right now, if you give me some time, I will go to the company. What time would be good?" and I think we decided to meet around 4 PM.

[REDACTED]

So it was arranged that I was to go to the company, but due to the nature of this agency, NIS, I felt burdened to go alone, so I called Senior Managing Director [REDACTED] from the Legal team. I asked, "Senior Managing Director [REDACTED] a call came from the NIS saying they will come to our company, can you accompany me?" and Senior Managing Director [REDACTED] said, "Yes." So we met at a cafe right in front of the escalator on the B1 floor of the company around 4 PM.

문: 만난 인원은요

Q: Who were present?

[REDACTED]

A: Two people came from the NIS, and Senior Managing Director [REDACTED] from the Legal team and I were present from Coupang.

문: 국정원 두 명은 누구인가요

Q: Who were the two officials from the NIS?

답: 그 때 누구인지를 알게 됐는데, 통화한 분이 김종현 조사과장이라고 하였고,

[REDACTED]

A: So I found out who they were at the meeting. The person I talked to said he was Director [REDACTED] of the Investigation Division, and the person who accompanied him said he was Director General [REDACTED] of the Investigation Bureau.

문: 이어 진술하세요

Q: Continue your statement.

답: 제가 복기를 명확하게 정리한 건 아니라서, 시점 왔다갔다 할 수는 있습니다. 먼저 만나서 음료를 주문하고 자리에 다 착석해서, 아마 조사과장님이 대부분 말씀을 많이 하셔서 이 얘기도 조사과장님이 하셨을 것 같은데 정확하지는 않습니다. 제가 국정원을 대면해서 만나게 되어서 긴장을 많이했거든요. 국정원에서는 "저희를 이렇게 만난걸 회사 내부든 외부든 보안 유지를 해달라" 라던가 "합구를 해달라" 라던가 이런 식의 당부를 요청했습니다. 정확한 워딩은 기억나지 않지만 이런 메시지였습니다. 당연히 알겠다고 얘기했구요. 그 사이 작은 스몰 토크가 있었던 것 같구요. 저의 긴장을 풀어주려 했는지, 그래서 제가 "혹시 어제 있었던 일의 연장선상으로 저희에게 연락을 하신겁니까" 라고 물었던 것 같습니다. 어제 일이라고 하면 박대준 전대표님이 언질을 주셨던 일입니다. "어제 일, 3차장님께서 만났던 일의 연장선상으로 오신건가요"라고 물었더니 누군가가 "맞다"라고 답했습니다.

A: I do not have a clear record of the event, so the timing may be a bit mixed up. First we met, ordered drinks, and all sat down, and because the Director of the Investigation Division spoke for the most part, what I am saying now was also probably spoken by the Director. But I'm not sure, as I was very nervous because meeting the NIS face-to-face was unfamiliar. The NIS requested things like "Please keep this meeting between us confidential, whether internally or externally" or "Please keep silent on this." I don't remember the exact wording, but this was the gist of their messages. Of course, I said I understood. I think there were some small talk here and there. Maybe they were trying to relieve my tension. So I think I asked, "By any chance, did you contact us as an extension of what happened yesterday?" By 'what happened yesterday', I was referring to the matter that former RD Park, Dae-jun has previously hinted at. When I

asked, "Is this meeting an extension of the meeting with the 3rd Deputy Director yesterday?", someone answered, "Correct."

문: 누가 답을 한 지는 모르는 건가요

Q: You don't recall who said this?

답 : 잘 모르겠어요.

A: I don't.

문: 이어 진술하세요

Q: Continue your statement.

답: 그러면서 자기들도 잘은 모르는데 용의자가 특정되어 있다고 하시고, 그래서 이제 용의자를 왜 특정하게 되었는지에 대한 상세한 내용들과 해킹에 어떤 침해 방식이라고 해야할까요? 워딩은 정확하지 않지만 그런 것들에 대해 궁금해하고 질의를 하고 싶다고 얘기했습니다.

A: They said that while they also don't know in detail, the suspect has been identified, so now they want to know the details on why this suspect was identified and the hacking itself-perhaps the method of breach, shall I say? The wording is not exact, but they said they are curious about such things and wanted to ask related questions.

더 나아가서는 쿠팡 쪽에서 말하는 것처럼 용의자가 특정되어 있고 그런 거라면, 그런 말도 했어요. 용의자가 전직 직원인 것 같은데 맞나요 이런 질문들도 있었던 것 같아요. 맞습니다 라고 했더니 "전직 직원이면 재직 당시의 어떤 정보들도 있겠네요"라고 하셨던 것도 같고, "그렇다면 이게 특정이 되겠네요"라고 하셨는데, 이게 워딩을.. 이 분들이 항상 애매하게 말하는게 있기는 한데, 제가 느끼기에는 "회수"까지는.. 보안성을 위해 긴밀하게 우리 정부와 국익을 위해서 그런 해결책 까지 도모를 하기 위함이다 라는 내용으로 말을 했습니다. 빠른 해결 같은.. 국민들에게 부담되지 않을 상황을 빨리 종식시킬 수 있는..

Furthermore, they said something to the extent of - if indeed, the suspect is identified as

Coupang says it has- and they also asked questions like "It seems the suspect is a former employee, is that correct?" and when I said yes, they also said something like "If it's a former employee, he must have some information from when he was employed," and "Then the suspect could be identified." Regarding the wording... they always spoke vaguely, but what I felt was, up to "retrieval"... they spoke with the intention that the solutions were for the sake of our government and national interest for security...Like a quick resolution... to quickly end the situation so it doesn't burden the public...

문: 정리해서 다시 말해볼 수 있나요

Q: Can you organize the details and say it again?

답: 국정원에서 당부했기 때문에 기록을 하지 않았습시다. 혹시 부딪힐까봐.. 좀자신이 없네요. 제 기억에 의존해서 말씀드리면, "용의자가 특정되어 있고, 전직 직원이고 그렇다고 하니 이 상황을 빨리 해결할 수 있는 부분, 더 이상 국민들의 불안감이 증폭되지 않고 나아가서 우리 정부 입장에서도 이런 것들이 더욱 확대되지 않고 빨리 이런 걸 해결할 수 있는 그런 것들을 하기 위해서 찾아왔다." 그리고 "자료의 회수"라는 언급도 하셨던 것 같아요.

A: I didn't keep a record upon the request of the NIS. In case a conflict would arise... I'm not so confident. Speaking based on my memory, they said, "Since the suspect has been identified and it is said that it's a former employee, we are here to resolve this situation quickly, so that public anxiety doesn't amplify further, and furthermore, from our government's stance, to prevent these things from expanding further and to resolve this quickly." And I think they also mentioned the "retrieval of materials."

문: 자료의 회수는 어느 시점에 나온 얘기인가요

Q: At what point did they mention the retrieval of materials?

답: 이런 이야기들을 하면서, 저희한테 약간 설득을 한다고 할까요. 저희를 찾아온 목적과 취지를 설명하고 관련 정보를 요청하면서 이걸 요구하는 목적이 이런 사태에 대해 용의자가 특정되고 있고 하다 보니 빠르게 이런 사태를 해결하기 위

함이다 라고 하면서 자료의 회수라는 표현이 있었던 것 같습니다. 그리고 근본적인 원인을 제거한다는 워딩들이 단편적으로 기억이 나는 것 같습니다.

A: While saying these things, should I say that they were trying to persuade us a bit? While explaining the purpose and the intent of visiting us and requesting related information and mentioning that the purpose of requesting this is to quickly resolve this situation since the suspect is identified regarding this situation- I think that was when they mentioned the phrase "retrieval of materials". And I also recall, in bits and pieces, that they kept mentioning the phrase "removing the fundamental cause".

문 : 계속 진술하세요

Q: Continue your statement.

답: 그래서 제가 "이거는 답변을 이 자리에서 드릴 수 있는 건 아닌 것 같고 내부적으로 상의해서 다시 연락을 드리겠다"고 했습니다. 그랬더니 국정원에서 "골든 타임이라는게 있으니 서둘러서 빨리 답변을 달라, 언제까지 연락을 거냐"고 물었던 것 같고, "저희도 가급적 빨리 확인해서 연락을 드리도록 하겠습니다"라고 했던 것 같습니다.

A: So I said, "I don't think I can give an immediate answer regarding this, and I will discuss it internally and contact you again." And then I think the NIS said, "Since there is a golden time, please hurry and provide a response quickly. When can you get back to us by?" and I think I said, "We will also check as quickly as possible and contact you."

문: 대부분의 대화는 조사과장이 주도적으로 했다는 건가요

Q: Did you say that most of the conversation was led by the Director of Investigation Division?

답: 네.

A: Yes.

그리고 저희가 긴장을 하니까 국장님 같은 분은 긴장하지 않아도 된다고 하는 좀 릴렉스할 수 있는 온화한 말들을 많이 해주셨어요.

And since we were nervous, the Director General said a lot of gentle words to help us relax, saying that we didn't need to be nervous.

문: 국정원과의 대화에서 쿠팡의 입장에서 진술한 말들은 모두 진술인이 한 것인가요

Q: Were all the statements provided from Coupang's perspective during the course of the conversation with the NIS provided by you?

답: 네, 모두 제가 얘기했습니다.

A: Yes. All the statements were provided by me.

[REDACTED]

Q: What did Senior Managing Director [REDACTED] say?

[REDACTED]

A: Actually, since the atmosphere was a bit serious and I was very nervous then, I don't think Senior Managing Director [REDACTED] said anything else in particular.

문: 계속 진술하세요.

Q: Continue your statement.

답: 그리고 헤어지고 얼마 있다가, 몇 시간 정도죠. 제가 박대준 대표님께 전화를 드렸습니다. 여기서 불명확할 수 있는 게 박대준 대표님께서는 통화가 한 번에 되는 일이 잘 없습니다. 얼마 후에는 통화가 이루어졌고, "대표님 어제 말씀하신 예측대로 국정원이 찾아왔습니다." 라고 얘기를 했습니다. 그래서 와서 뭐라고 얘기를 했는지를 물어 "어제의 연장선상이냐고 물었더니 그렇다는 취지로 말씀하시더라" 라고 대답을 했고, "여러가지들을 요청을 해서 제가 즉답은 하지 않았습니다" 라고 대답했습니다. 그랬더니 "알겠다"라고는 하시면서 염려섞인 듯한 반응을 하셨던 게 기억이 납니다.

A: And a while after the meeting ended, about a few hours later, I called RD Park, Dae-jun. The details can be a bit unclear because it's rare to get through to RD Park, Dae-jun on the first try. After a while, the call happened, and I said, "RD Park, the NIS made a visit as you had predicted yesterday." He asked what they said when they came, and I answered, "I asked if it was an extension of the meeting yesterday, and they spoke to the effect that it was," and "They requested various things, so I didn't give an immediate answer." Then he said "Okay," and I remember him reacting with a mix of concern.

문: 어떤 염려 섞인 반응을 말하는 건가요

Q: What kind of concerned reactions?

답: 사기업 같은 경우에는 국정원이라는 기관과 대면할 기회가 거의 없고 세간의 일반적인 세간의 인식에서 바라보는 국정원은 은밀하고 잘 알 수 없는 조직이기 때문에, 약간 막연한 두려움? 그 다음에 선부르게 이 분들의 말을 믿을 수 있는지에 대한 우려감 같은게 있었습니다. 저도 그렇구요.

A: In the case of private-sector companies, there are almost no opportunities to face an agency called the NIS, and from the public...general public perception, the NIS is looked upon as a secretive and not-well-known organization, so somewhat of a vague fear? Then, there was a sense of concern about whether we could trust the words of the NIS officials in haste. And I also concurred with him.

불안함 속에서. 12월 1일 오전 또는 11월 30일 정도에 서울경찰청으로부터 이메일을 받은게 있는데, 그 내용이 뭐였냐면 내부적으로 확인되지 않은 검증되지 않은 용의자 정보에 대해 외부에 발설하지 말라라는 메일이 왔습니다 경찰로부터. 그에 대한 두려움이 있었습니다. 아무리 국정원이라도 선뜻 우리가 이거를 했었을 때 어떠한 불이익 이런 염려의 시각이 컸던 걸로 기억하고 있습니다.

Amidst such anxiety, around the morning of December 1 or November 30, we received an email from the Seoul Metropolitan Police Agency. It was an email from the police telling us not to disclose any internally unconfirmed, unverified suspect information to the outside. So there was fear regarding that. I recall that the concerns were largely related to potential

disadvantages we may face if we did this, even if it was upon the request of the NIS.

문: 박대준 전 대표가 그러한 염려를 했다는 건가요

Q: Are you saying that former RD Park, Dae-jun raised such concerns?

답: 네네. 저 역시도 조금 그러한 인식을 가지고 있었고.. 박대준 대표님 또한 그러한 염려가 먼저 앞섰던 반응으로 기억이 납니다.

A: Yes, yes. I also shared a bit of the same concerns.. and I remember that RD Park, Dae-jun's reaction also first reflected such concerns.

그래서 이후에 한 두번의 통화가 있었던 것 같은데 박대준 대표님과의.. 어떠한 지시는 없으셨구요. 막연한 불안감, 염려스러움, 이들과 이렇게 선부르게 했을 때 경찰의 명시적인 요청사항이 있는데, 이런 것들에 대해 염려를 많이 하셨습니다. 어떻게 하자는 지침은 없으셨어요.

So I think there were one or two more calls after that with RD Park, Dae-jun..but there were no instructions. It was mostly vague anxiety and worries, since there was an explicit request from the police, and he worried a lot about things like what would happen if we acted with them in haste. But there were no instructions on what to do.

And in the meantime, I think I personally asked Senior Managing Director [REDACTED] who was also present at the meeting, "How do you view the requirements of the NIS?" and I remember that his reaction was also that of concern.

문: 국정원의 요구사항이 무엇이었나요

Q: What were the requirements of the NIS?

답: 용의자와 관련된 정보를 달라고 하였고, 기술적인 부분들. 추상적으로 얘기를

하셨는데, 침해와 관련된 여러가지 궁금한 사항들, 나아가서는 이런 것들을 하고자 하는 목적은 근본적인 문제를 빠르게 해결하기 위한 것, 그러기 위해서는 자기도 이런 사실을 알아야 할 것 아니냐 명확하게.. 이런 취지였습니다.

A: They asked for information related to the suspect, and technical parts. They spoke abstractly. They asked various questions regarding the data breach, and furthermore mentioned that the purpose of doing these things is to quickly resolve the fundamental problem, and to do that, shouldn't they also know these facts clearly... Such were the extent of their requirements.

문: 요구사항이 딱 정해져있던 건 아니었던 건가요

Q: So there wasn't a clear list of requirements?

답: 첫 만남이고 짧았었기 때문에 애매하게 그 정도의 이야기만 했습니다. "우리한테 협조가 상당히 필요하다."라고 얘기를 했습니다.

A: Since it was the first meeting and it was short, they only said that much vaguely. They said, "We need your significant cooperation."

그리고 그런 말도 했어요. 그리고 "기업들은 잘 모르겠지만 해킹사건 있으면 국정원이 와서 이렇게 다 합니다" 식의 발언이 있었습니다.

And they also said this. Something on the lines of, "Companies might not know this well, but when there is a hacking incident, the NIS comes and does all of these things."

문: 박대준 전 대표와의 통화에서 "아무리 국정원이라도 선뜻 우리가 이것을 했을 때 불이익이 염려된다"고 말했는데, 이것을 했었을 때의 이거가 무엇인가요

Q: You mentioned that in the call with former RD Park, Dae-jun, he said, "I am concerned about the potential disadvantages we may face if we did this, even if it was upon the request of the NIS." What does 'this' in 'if we did this' mean?

답: 국정원이 요구하는 것들을 해줬을때요.

A: When we do what the NIS required of us.

문: 요구하는 게 용의자의 정보를 말한 건가요

Q: Does that requirement refer to the suspect's information?

답: 그렇죠. 우리가 앞전에 경찰로부터 용의자에 대해 얘기하지 말라는 메시지를 받았잖아요. 그래서 선뜻 그들의 요구사항에 응해도 될 것이냐, 따라야만 하는 것이냐 이걸 고민했죠.

A: That's right. We received a message from the police before to not talk about the suspect. So we pondered whether we could readily comply with their requirements, or if we must follow them.

문: 박대준 전 대표가 사임 전에 국정원의 요구사항에 대해 응할 것을 결정하지는 않았나요

Q: Did former RD Park, Dae-jun ever decide to comply with the NIS requirements prior to his resignation?

답: 아, 그래서.. 제가 그날 2025. 12. 1. 저녁, 국정원 조사과장님과 통화를 하면서 제가 물었습니다. 제가 전화를 했는지 받았는지는 기억에 잘 나지 않습니다. "이러한 국정원의 요청에 우리는 반드시 응해야 하는것인가", "우리가 거기에 따라야할 의무가 있는 것이냐", "법적인 근거가 있는 것이냐"고 물었구요. 협조에 따라야 할 법적인 의무가 있다는 식으로 답변을 하셨어요. 의무가 정확한지는 모르겠지만. 그래서 "저희가 반드시 따라야만 하는 그 근거를 문서로 서면으로 명시적으로 보내달라"고 얘기했어요.

A: Ah, so... That day, on the evening of December 1, 2025, while talking on the phone with the Director of the NIS Investigations Division, I asked- I don't remember well if I made the call or if I received the call- I asked, "Must we absolutely comply with these requests of the NIS?", "Do we have an obligation to follow these requests?", "Is there a legal ground for this?" He answered to the extent that there is a legal obligation to cooperate. I don't know if the expression 'obligation' is accurate. So I said, "Please send us an explicit written document describing the grounds of why we must comply."

문 : 계속하세요.

Q: Continue.

답: 그리고 통화 끝나고 같은 날 밤에 박대준 대표님에게 전화했습니다. 박대준 대표님은 여전히 염려스러운 반응이었어요. 그래서 제가 뭐라고 했냐면 "제가 아까 국정원에 저희가 반드시 따라야 하는 근거가 있는지 물었고, 그거를 문서로 좀 달라라고 요청을 했고, 그 쪽에서 그러겠다고 말씀을 주셨다"는걸 보고드렸고, 박대준 대표님은 "아 그러면 국정원에서 보안 당부가 있었으니 법무 일부한테 살짝 이 내용을 너가 공유를 해서 상의를 해라"고 얘기를 했습니다. 왜냐면 그날 법무도 같이 있었다고 얘기를 했거든요.

A: And after the call ended, on the same night, I called RD Park, Dae-jun. RD Park, Dae-jun still had a concerned reaction. So I reported, "I asked the NIS earlier if there is are grounds for us to absolutely comply, and requested them to state such grounds in a document, and they said they would," and RD Park Dae-jun said, "Ah, then since there was a request from the NIS to keep this confidential, you should share this slightly with parts of the Legal team and discuss it." Because I told him that the Legal team was also present that day.

And I contacted Senior Managing Director [REDACTED] from the Legal team and said, "I requested NIS to share the grounds on why we need to comply, and because they will be sending it over by fax, please share the fax number with me," and also asked for his review. Since the Legal team still held a concerned position and so did I...

문: 팩스번호는 언제 알려준 건가요

Q: When did you share the fax number?

답: 아, 검토해달라고 한 뒤에 팩스번호를 알려달라고 한다 해서 팩스번호는 다음

날 아침에 알려줬던 것 같습니다.

A: Ah, after asking for the review, I said they were asking for the fax number, so I think I shared the fax number the next morning.

[REDACTED]

Q: So, the day before sharing the fax, you contacted Senior Managing Director [REDACTED] to request a review on whether your request to share an official document in writing was appropriate, and the next day, upon completion of the review, you received the fax number from Senior Managing Director [REDACTED] and gave it to the NIS?

[REDACTED]

A: I am not saying that a review was completed, but I said to Senior Managing Director [REDACTED] [REDACTED] "I requested this, and I don't know what will happen. Since I requested an official letter, let's wait until we receive it and then review it." And I also relayed that they would send it via fax, so I asked for the fax number. It's vague whether I gave the fax number on the same day or the next day. Anyway, I received the number and gave it to the NIS.

문: 계속 진술하세요.

Q: Continue your statement.

[REDACTED]

[REDACTED]

A: And around 1 PM the next day, December 2, 2025, Legal team's Senior Managing Director [REDACTED] shared that a fax had arrived from the NIS.

I asked, "How does the official document look?" and he didn't answer immediately but said, "I will review it and let you know."

The NIS requested not to share it externally as well as internally in the company, so at that time, due to confidentiality, I only communicated with Senior Managing Director [REDACTED]

[REDACTED]

Q: Did only Senior Managing Director [REDACTED] review the official document?

답: 법무팀 이겠죠. 본인 스스로 판단한 건 아닐 것 같고. 다양한 법률 전문가들의 도움을 알아서 받으시니까.

A: It must be the Legal team. I don't think he judged it by himself. He gets help from various legal experts on his own.

문: 검토 결과는 언제 나온 건가요.

Q: When did the review result come out?

답: 국정원에서는 내부적으로 결정이 됐는지 문의를 했었고, 저희는 검토 중이니 기다려달라고 했었습니다. 그리고 있다가 몇 시간 뒤에 법무팀으로부터 연락이 와서 검토를 했는데 "이 정도의 공문에 국정원 관련된 근거 조항이 있으면 우리는 거기에 따라야 한다"라는 의견을 주셨어요. 특히 국정원법 5조가 있었는데, 뭐 하면 요구할 수 있고, 따라야 한다 라는 내용이 있고 해서 우리는 이것을 따라야 할 것 같다고 했어요. "따를 수 밖에 없을 것 같다"는 피드백이 있었습니다.

국회 당시 박대준 대표에게 보고는 마로 되지 못했습니다 현안질의 같은거로 불러다니셔서.. 그래서 따를 수 밖에 없겠다는 해석이 나왔고, 서면으로 법 조항을 명시하고 공식으로 집수를 했기 때문에, 제가 다시 국정원에게 전화를 했습니다.

"법무쪽 검토 의견을 받았는데 우리는 그거를 반드시 따를 수 밖에 없는 것 같

다는 취지로 판단을 하신 것 같습니다. 저희가 뭘 어떻게 해야 됩니까?" 라고 물었더니 그날 만나자고 하셨습니다.

A: The NIS inquired if a decision was made internally, and we asked them to wait because we were reviewing. Then a few hours later, Legal team reached out, giving the opinion, "We reviewed it, and if there are relevant basis clauses for the NIS in an official document of this level, we must follow it." Especially there was Article 5 of the National Intelligence Service Act, which stated they can make a request and [we] must follow, so they said we seem to have to follow this. There was feedback that "It seems we have no choice but to follow."

A report to Representative Director Park, Dae-jun could not be made immediately at that time because he was being called around for inquiries at the National Assembly... So the interpretation came out that we have no choice but to follow, and since they specified legal clauses in writing and we received it officially, I called the NIS again. I asked, "We received Legal team's feedback, and it seems they judged we have no choice but to follow it. What exactly are we supposed to do?", and they proposed to meet that day.

이때, 점심 식사로 휴식 후 이어 문답하다.(13:30~14:45)

At this time, questions and answers continued after a break for lunch. (13:30~14:45)

문: 진술인이 아까 국정원에 근거를 문서로 서면으로 명시적으로 보내달라고 요청한 것은 진술인의 개인적 판단이었나요

Q: Was it your personal judgment to request the NIS to send the base clauses explicitly in writing in a document?

답: 네, 일단은 제가 그걸 달라고 했던 건 저의 판단이었습니다.

A: Yes, for now, it was my judgment to ask for that.

문: 국정원에 뭘 해야 하나고 물어본 뒤부터 이어 진술하세요.

Q: Continue your statement from the point of asking the NIS what you should do.

답: 그날 저녁에 오후 7시 넘어서 양재동의 한정식 룸 있는 식당에서 만났습니다. 아, 그 전에 그 쪽에서 만나자고 했을 때, 용의자와 관련된 기초적 자료들을 달라

고 했습니다.

A: We met that evening past 7 PM at a Korean restaurant with private rooms in Yangjae-dong. Ah, before that, when they said let's meet, they asked for basic materials related to the suspect.

문: 국정원의 누구와 통화를 한 건가요

Q: With whom from the NIS did you talk over the phone?

A: Up until then, I talked with [REDACTED] the Director of Investigation Division.

문: 계속 휴대폰으로 통화를 한 건가요

Q: Did you continue to talk over the mobile phone?

답: 네네.

A: Yes, yes.

문: 기초적 자료들은 무엇을 말하는 건가요

Q: What do the basic materials refer to?

답: 국정원에서 2025. 12. 1. 만났을때 달라고 했던 자료이기도 하고, 2025. 12. 2. 제가 뭘 하면 되냐고 연락했을때도 "만나서 얘기를 하자"라고 하면서, 기초적인 자료같은 것도 들고 와달라고 요청을 했습니다.

A: It is the material the NIS asked for when we met on December 1, 2025, and also when I contacted asking what I should do on December 2, 2025, they said "Let's meet and talk," and requested to bring things like basic materials.

문: 기초적인 자료는 무엇을 말하는 건가요

Q: What do the basic materials refer to?

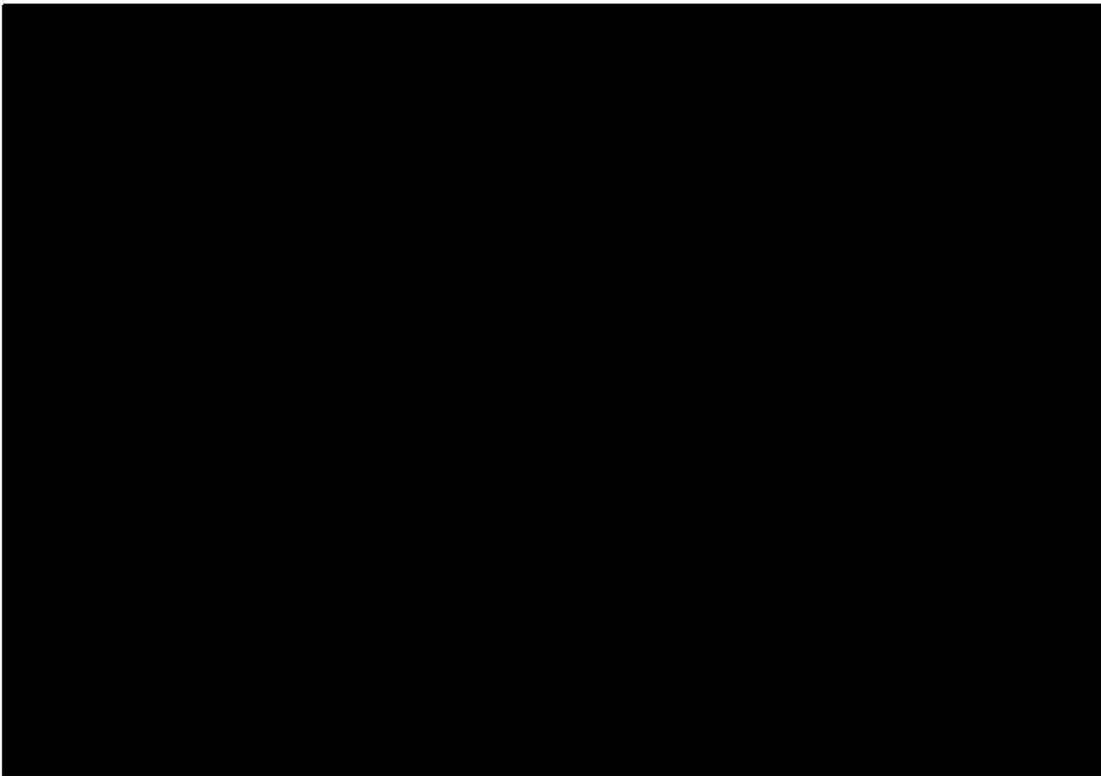
답: 구체적으로 얘기하지는 않으셨습니다. “관련된 자료를 달라, 용의자와 관련

된 내용이라든지, 이런 자료들을 달라”고 말씀하셨습니다.

A: They didn't say specifically. They said, "Give us relevant materials, such as information related to the suspect, provide us things like that."

문: 이어 진술하세요

Q: Continue your statement.



A: Upon receiving the call from the NIS to meet, I contacted Senior Managing Director [REDACTED] and asked if he could go with me because I felt burdened meeting an agency called the NIS. Senior Managing Director [REDACTED] said okay and said, "Let's depart separately, you go first, I will join later." And [I said] the NIS is requiring this and that material but I don't know what to give, like basic things related to the suspect...

Ah ah, there was another thing. I remember the NIS required the personnel record card for the suspect. I asked what I should do, they are asking for this, and he said, "Let me appropriately check that."

So I moved to the dinner place. I arrived at the restaurant first, and immediately after, two

people from the NIS came into the room.

And then, as talks were going back and forth, Senior Managing Director [REDACTED] joined late, and it is my understanding that Senior Managing Director [REDACTED] gave information about the suspect in printed form, things like personnel records—though I didn't see the documents myself—basic things like personnel records, address, alien registration card, or passport copies.

문: 국정원에서 나온 두 명이 누구인가요

Q: Who are the two people who came from the NIS?

[REDACTED]

A: It is Director [REDACTED] of the Investigation Division and Investigator [REDACTED]

[REDACTED]

[REDACTED]

Q: Can we know Investigator [REDACTED] contact number?

답: 알려드릴 수는 있는데, 아까 변호사님께서 개인정보보호법위반 소지가 있다는 말이 걸려서..

A: I can tell you, but earlier the lawyer said there is a possibility of violation of the Personal Information Protection Act, so that bothers me...

[REDACTED]

At this time, Attorney [REDACTED] answered.

답: 아무래도 확인하고 드리는게 예의인 것 같아서 물어보고 확인해서 추후에 알려드리도록 하겠습니다.

A: Since it seems polite to check before giving it away, I will ask and check and let you know.

[REDACTED]

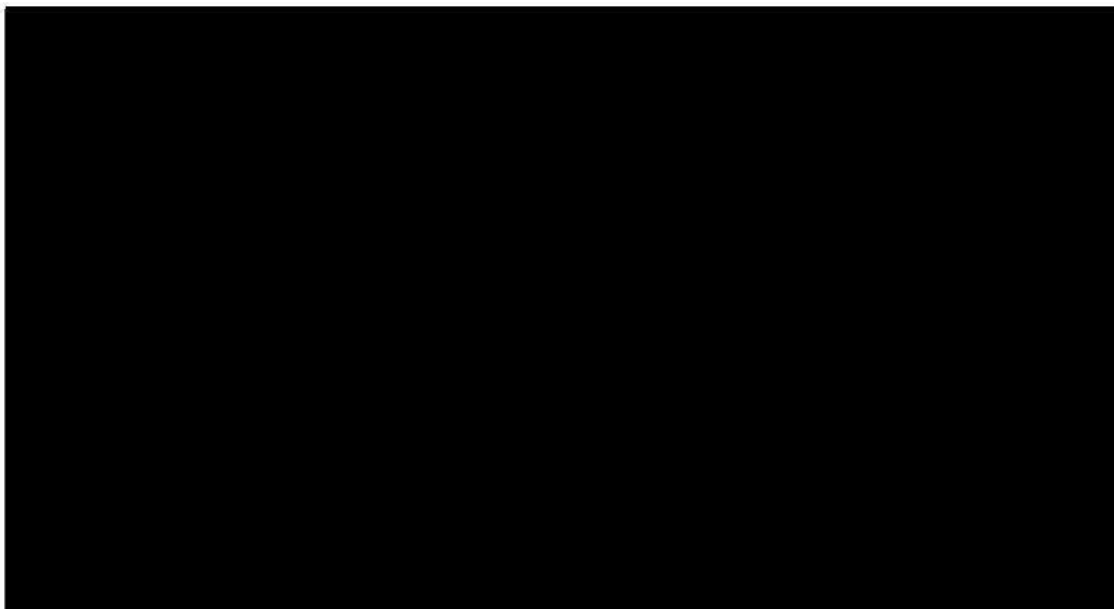
Q: Was it Senior Managing Director [REDACTED] not you, who handed the materials over to the NIS employees at the Korean restaurant at that time?

답: 네네. 자료는 국정원이 당초 요청했던 용의자 관련 인적사항 정보들로 알고 있습니다.

A: Yes, yes. I understand the materials are personal information related to the suspect that the NIS originally requested.

문: 진술인이 자료를 받아서 전달하지는 않았나요

Q: Did you not receive the materials and hand them over yourself?



A: As four of us were sitting together, Senior Managing Director [REDACTED] came wearing something like a backpack and handed over a large document envelope from the bag to the NIS employee. I don't know exactly to whom he handed it.

So the NIS employees opened up the materials, took photos, and seemed to be reporting them to somewhere internally.

And while saying something along the lines of looking forward to working with you, what they said then was, a request for confidentiality again. They emphasized strict confidentiality with wordings like "You must absolutely never disclose about communicating with us anywhere

outside including inside the company," "You must keep silent."

So they said, "Regarding the contact method, we won't do it by text, let's talk over phone or preferably through face-to-face meetings." I think they took turns speaking, but mostly the NIS Investigation Director seemed to speak a lot.

Q: After Senior Managing Director [REDACTED] said, "Let me appropriately check," he brought the materials and submitted them to the NIS. Who made the judgment on the submission of materials?

답: 그거는 법무에서 판단을 했다고 보면 될 것 같습니다.

A: I think you can see it as Legal having made the judgment.

문: 진술인은 국정원과의 첫 만남 후, 박대준 대표로부터 "아 그러면 국정원에서 보안 당부가 있었으니 법무 일부한테 살짝 이 내용을 너가 공유를 해서 상의를 해라"고 지시받아 법무팀에 연락해 자료 제출까지 이르게 되었는데, 최종 자료 제출 의사결정은 박대준 대표의 의한 것이라고 볼 수 있는 건가요

Q: After the first meeting with the NIS, you received instructions from Representative Director Park, Dae-jun saying "Ah, since the NIS requested confidentiality, you should slightly share this information with some parts of Legal and discuss it," and you contacted the Legal team leading to the submission of materials. Can the final decision on material submission be seen as made by Representative Director Park, Dae-jun?

답: 아니요. 첫 날 밤에 통화로 상의해보라고 하셨고, 그 다음 날은 대표님이 현안 질의 때문에 국회에 불려간 것으로 알고 있는데, 그런 것 때문에 대표님과는 연락을 할 수 없는 상황이었습니다.

기억의 왜곡이 있을 수 있는데, 국정원의 보안유지 요청으로 될 남기지를 앓았어요.

A: No. He told me to discuss it by phone on the first night, and the next day I know he was

being called to the National Assembly for inquiries, so because of such things, I was in a situation where I couldn't contact him.

There might be a distortion of memory, but due to the NIS's request for confidentiality, I didn't leave anything.

문: 박대준 대표는 상의를 하라고 지시했을 뿐, 국정원 대상 자료 제출에 대한 의사결정은 하지 않았다는 건가요

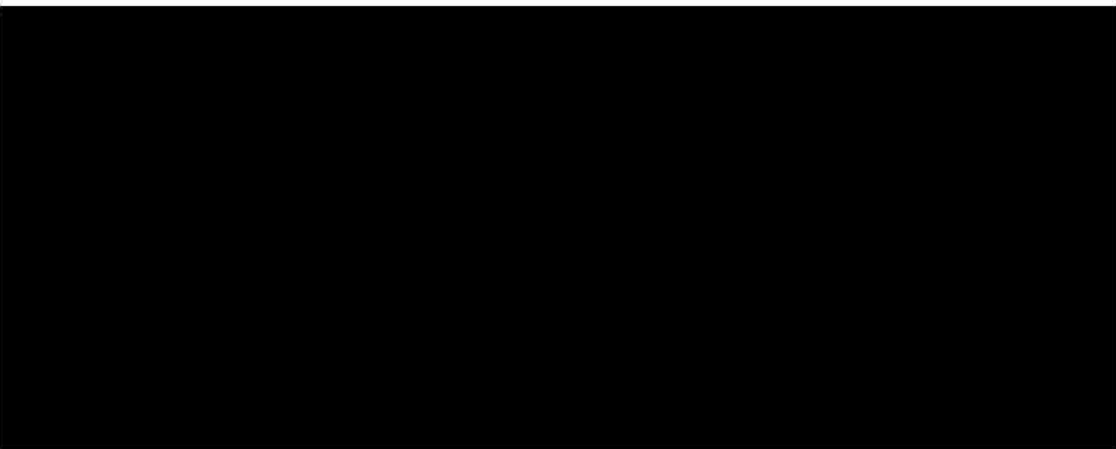
Q: Do you mean Representative Director Park, Dae-jun only instructed to discuss, and did not make the decision on submitting the materials to the NIS?

답: 네. 어떤 자료를 요구하더라 이런 내용을 제가 아예 보고를 못했으니까요.

A: Yes. Because I was not able to report to him on what materials they were requiring.

문: 법무팀에서 보고 했을수도 있지 않나요

Q: Couldn't the Legal team have reported?



A: That possibility could exist. However, I do not know about it. But slightly there was such nuance. I said I discussed with the Legal team and requested an official document. But there was a hint to the effect that- if the official document comes, make sure to discuss with the Legal team, discuss and thoroughly review, and communicate it.

And I contacted Senior Managing Director [REDACTED] and said, "I also discussed with the Representative Director, and he told me to discuss with the Legal team and thoroughly discuss

to handle it."

Since the NIS emphasized confidentiality when we met them, the Representative Director said to the effect, "Even in the Legal team, proceed without letting many people know."

문: 당시 최고 의사결정권자는 누구인가요

Q: Who was the highest decision-maker at that time?

답: 박대준 대표이사님이시죠.

아, 그리고 12월 2일 공문받았잖아요. 박대준 대표님께 말씀 못드리기는 했는데, 법무팀에서 검토하고 우리가 이걸 따라야 한다는 결과를 대표님께 누군가 얘기하고 했던 건 있었던 것 같습니다. 그래서 법무에서 적정한 수준의 자료를 준비할 수 있었던 것 같구요.

A: It is Representative Director Park, Dae-jun.

Ah, and we received the official document on December 2. I couldn't tell Representative Director Park, Dae-jun, but I think there was someone who told him about the result of the Legal team's review and [concluded] we must follow this. So I think that is why Legal could prepare materials at an appropriate level.

문: 누가 대표에게 보고했는지는 알지 못하나요

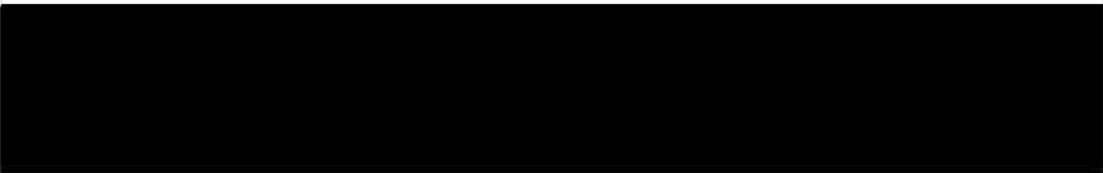
Q: Do you not know who reported to the Representative Director?

답: 네.

A: No.

문: 통상 법무팀의 보고 체계는 어떻게 되나요

Q: Typically, what is the reporting hierarchy of the Legal team?



[REDACTED]

A: Usually, above Senior Managing Director [REDACTED] is Vice President [REDACTED] and typically Vice President [REDACTED] would have reported to Representative Director Park, Dae-jun if there were key issues.

That is typical. Just like I report to Senior Managing Director [REDACTED].
Ah, and this might also be slightly distorted, but I talked with Representative Director Park, Dae-jun on the night of December 1, 2025. I said he spoke with concern when I called, before requesting for the official document. I think he said that Legal also expressed a view of concern during the one or two calls then. The gist was that they (NIS) cannot be trusted.
I remember worrying because places like the NIS are not seen transparently.

문: 박대준 대표가 법무팀과 상의해서 진행하라고 승인했기 때문에 법무팀 결정에 따라 자료를 제출한 것으로 보이는데 맞나요

Q: It appears materials were submitted according to the Legal team's decision because Representative Director Park, Dae-jun approved to proceed via discussion with the Legal team. Is that correct?

답: 근데 그 때 답변은 공문의 내용을 법무팀과 상의해서 잘 검토해보라는 취지였습니다.

A: But the answer then was to the effect of discussing the content of the official document with the Legal team and reviewing it thoroughly.

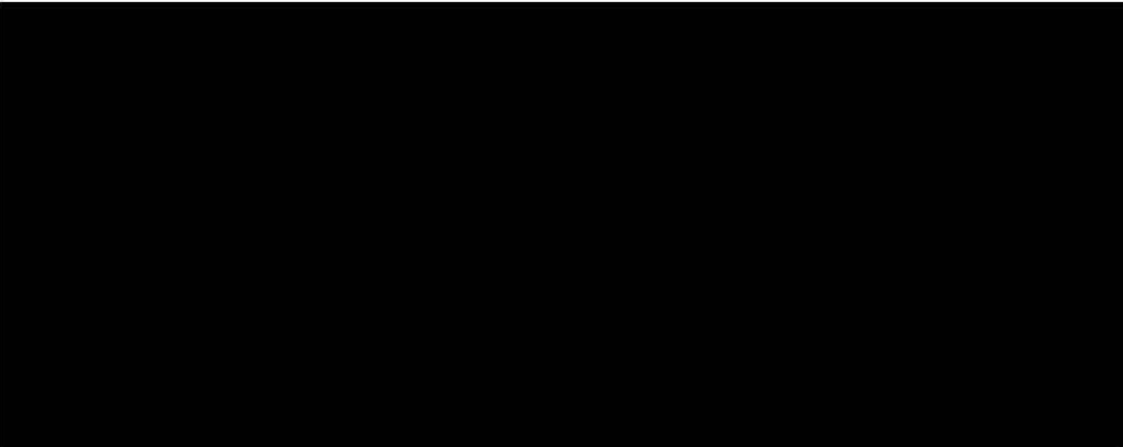
문: 대표이사의 승인 없이 자료가 제출될 수는 없지 않나요

Q: Can materials be submitted without Representative Director's approval?

답: 제 추정지라 조심스러우나, 제가 대표님에게 직접 이런 자료를 받아서 주겠다

고한 사실은 없지만 그동안의 통상적 업무 관행상 이런 민감한 부분에 있어서 법무팀이 독자적으로 주지는 않았을 것 같기는 합니다. 제 추측입니다

A: I'm cautious since it is my guess, but although I never said I would receive such materials and give them to the Representative Director directly, considering the typical business practices so far, I think the Legal team wouldn't have given them independently given its sensitive nature. It is my guess.



Q: Judging from the statement that you are in charge of reviewing and advising on policy aspects and improving processes in the overall operation of various services and business-related areas provided by Coupang and Coupang subsidiaries, it appears you are in a position to know the overall operation of Coupang Corp. better than anyone. In such contact with an unusual agency and submission of materials, if a Legal team's review was carried out, it appears the materials would have been submitted after approval from Senior Managing Director [REDACTED] Vice President [REDACTED] and former Representative Director Park, Dae-jun was obtained in line with Legal team's basic reporting hierarchy. What is your thought on this?

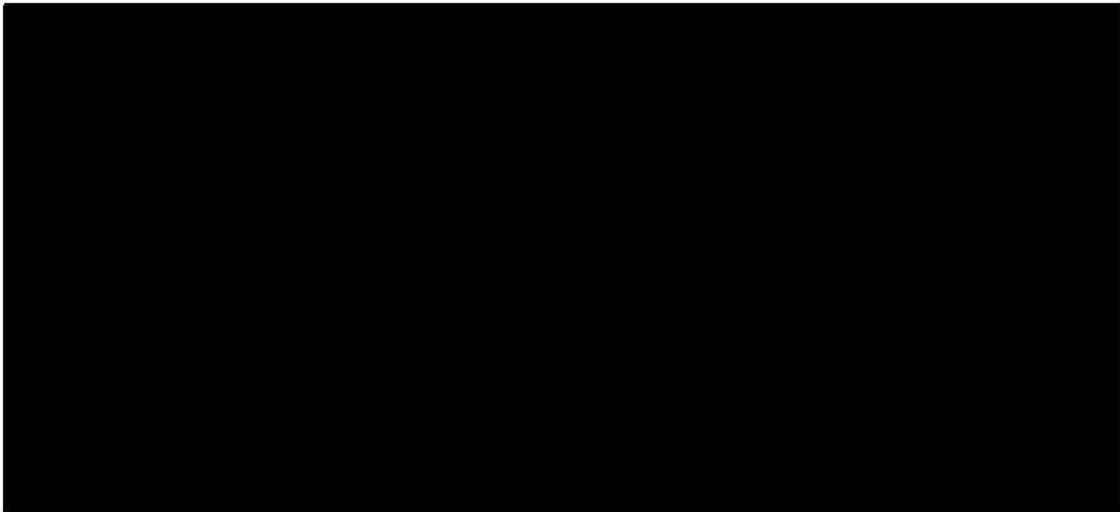


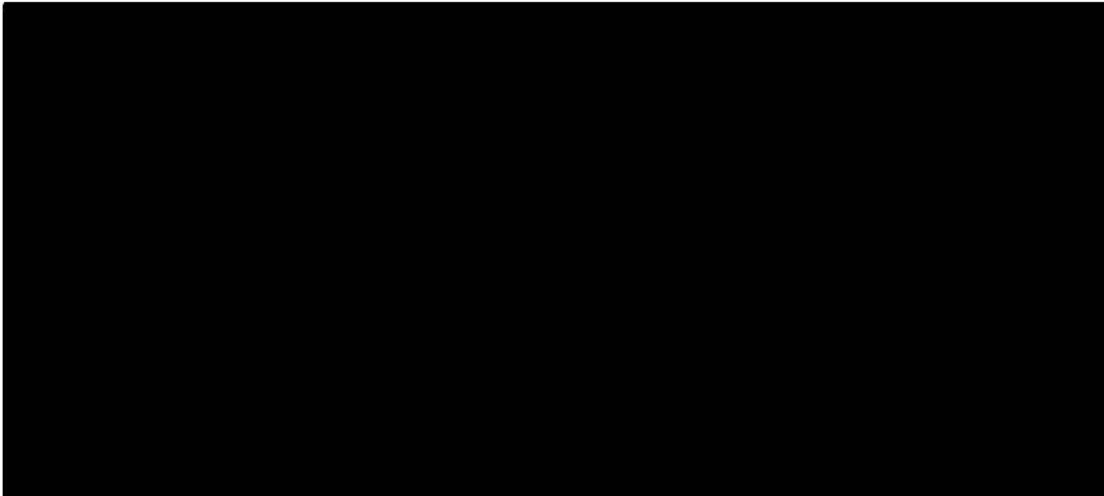


A: Typically, we receive a huge number of official investigation cooperation documents from investigative agencies, search and seizure warrants, and official cooperation documents from various agencies, but we do not report all of these things up to Vice President  There must be standards according to relevant legal clauses, and working-level staff provide them according to the manual. Although rare, official documents come from the NIS once in a while, and those are also provided based on standards. Whenever that happens, usually working-level staff respond on whether to send it out or not based on standards. In this case, if viewed by typical work standards, we wouldn't report it up to the Vice President because there is a basis in the official document, however, my guess is that since for the Legal team this matter is a special case, and there were circumstances with Representative Director Park, Dae-jun the previous day and feedback that [the NIS] was unreliable, I think there might have been communication regarding the materials the next day.

문 : 계속 하세요.

Q: Continue.





A: And on the night of December 2, a call came from the Representative Director asking if the official document's review went well. When I said "I am meeting them now," he asked "What are you talking about?" I said that the NIS sent the official document yesterday and asked for suspect materials so we are handing over to them now, and he asked "The official document review is all done, right?" So I said, "Yes, for us, although it is an NIS official cooperation document, effectively we are forced to follow it, so it seems we have to accommodate all the requests." He asked, "You received Legal's feedback, right?" and I said "Yes, that is correct. We brought the suspect's basic materials and are doing it." He asked, "You did it after discussing with Legal, right?" and I said "Yes, that is correct." Then I remember he said, "Send me the official document once. Don't open up everything yet and wait, send me the official document first." I sent the official document via Signal and stayed without saying much while eating, and the answer came tens of minutes later. He sent a message saying "Okay Go," so the talk proceeded from then.

After that, the NIS seemed to be taking photos of the materials we gave them and making a report. While looking, they said this: "Ah~ then this person would be a high-income earner in Chinese terms." And then the NIS said, "Since this person has an address, the possibility is high that he is still living there," and when Senior Managing Director [REDACTED] said, "As you can see, he is married and has a child," the NIS said, "Ah, then the possibility that he is still living here is very high."

Since it was almost the first time such a thing happened, I tend to remember that day relatively clearly.

문 : 박대준 대표가 결정하기 전에 이미 자료는 제출한 거고, 제출하고 국정원과 함께 있는 중에 박대준 대표에게 전화가 와서 통화한 뒤 최종 승인을 받고 적극적으로 대화를 했다는 건가요

Q: So you had already submitted the materials before Representative Director Park, Dae-jun decided, and while you were with the NIS after submitting, you received a call from Representative Director Park, Dae-jun, talked, received final approval, and then conversed with the NIS employees actively?

답 : 네. 그렇습니다.

A: Yes. That is correct.

문 : 승인 후 적극적으로 대화했다는건 어떤 대화를 한 것인가요

Q: What kind of conversation do you mean when you say conversing actively after approval?

답 : 주로 "대면 만남, 전화 통화, 메시지 보내고 하는건 하지 않을거다" 하며 보안성을 계속 당부했고, 대표님 통화 후 아까 말씀드렸던 용의자 내용을 보고 "고소득자일 것 같다"는 등의 얘기를 했습니다.

이후에 기억나는 발언들로는 "이 용의자가 중국 국적이고 현재는 한국에 없는 중국에 있는 상황이다 보니까 이 사람이 중국 산업 스파이 일지, 중국 정부의 사주나 조력을 하는 사람인지, 중국 범죄 단체와 연관이 있는지 이런 것들을 전혀 알 수 없고 그런 가능성을 배제할 수도 없기 때문에, 그렇기 때문에 우리가 이렇게 하는거다"하는 식의 발언이 있었습니다.

"이 사건은 또 다른 해킹 사건과 다르다 용의자가 초기에 이미 특징이 되었다는 게 다른 사건과 다르다", "지금 보니 이 친구가 신원도 확실하고 가족도 있고 중국 내에서 위치도 있어 여전히 거기 거주할 가능성이 있어 이 사건의 골든타임이 매우 중요할 것 같다", "시기가 자칫 지나면 국민의 개인 정보들이 중국 정부나 범죄 조직같은 곳에 넘어갈 수 있는 가능성도 배제할 수 없기 때문에 우리도 발 빠르게 움직이려고 한다"라고 하면서 "관련 내용을 더 확인하고 분석해야겠지만 자칫하면 안보, 외교 문제로 비화될 수 있고, 이렇게 되면 우리 정부 자체에 상당

한 부담이 될 수 있고, 이번 사태의 국민들의 불안감을 빠르게 종식시킬 수 있는 것은 근본적인 원인을 제거하는 것이 가장 효과적인 방법인 것 같다"는 식의 애기였습니다.

그러면서 자료 회수에 대한 애기가 본격적으로 나왔어요.

A: They mainly kept asking for confidentiality, saying "We'll do face-to-face meetings, phone calls, no sending messages," and while looking at the suspect details I provided after the call with the Representative Director as I mentioned earlier, they said things like "He seems to be a high-income earner."

The remarks I could remember afterwards include "Since this suspect is of Chinese nationality and is currently in China, not in Korea, we don't know at all if this person is a Chinese industrial spy, a person receiving instigation or assistance from the Chinese government, or related to Chinese criminal organizations and since we cannot exclude such possibilities, we are doing this." There were remarks like these.

"This case is different from other hacking cases in that the suspect was already identified early on," "Looking at it now, this friend has a clear identity, has a family, and has a status in China, so there is a possibility he still resides there, so the golden time of this case seems very important," "If the timing passes, we cannot exclude the possibility that the people's personal information might be passed to places like the Chinese government or criminal organizations, so we are also trying to move quickly," and "We need to check and analyze relevant information more, but if things go wrong, it could escalate into security and diplomatic issues, and if this happens, it could become a significant burden to our government itself. The most effective way to quickly end the public's anxiety about this situation seems to be removing the fundamental cause." There were remarks like these.

And then talks about the retrieval of materials came out in earnest.

[REDACTED]
At this time, Senior Policeman (Gyeongjang) [REDACTED] left and Inspector (Gyeonggam) [REDACTED] participated.

문 : 국정원의 협조 요청을 쿠광 측이 이행하지 않았을 때의 불이익은 당시 뭐라고 판단하였나요.

Q: What did you judge at the time would be the disadvantage if Coupang did not fulfill the NIS's cooperation request?

답 : 공문을 받기 전까지는 못믿겠고 불안도 염려도 많았는데, 공문을 받고 그들을 만나서 설명을 듣고 나서는 반드시 따라야만 한다고 생각했습니다.

그리고 말미에 헤어지기 전에 이런 설명들도 해주고, 사진 찍어 내부 보고하는 모습도 보여주고 했으니, 그 모습이 저는 첩보영화에 나오는 것처럼 긴장도 많이 되고 했는데, 그러면 이 작전에 저희는 당연히 따를 것이라는 의사를 밝혔는데, "그러면 이 작전의 시작은 언제입니까?"하고 물었더니, 저희가 용의자 관련 정보를 줬잖아요?"그 시점부터 즉시"라고 이야기하셨습니다.

그리고 이걸 추정인데, 저는 그 시점부터 용의자의 인사기록을 내부 보고하는 모습을 보고 지금부터 시작되었다는 답변 속에서 이미 현지에서 이 용의자를 체크하려고 하는구나 하는 생각이 들었습니다.

아, 그리고 특정 일시 장소는 기억이 안나는데, 저한테 당부한 건 보안유지가 있었고, 저희가 이날도 "경찰은 어떻게 합니까? 경찰에도 이걸 알려야 할 것 같은데.."라고 얘기를 하니깐, "당연히 이 작전의 궁극적인 목적은 안전하게 자료를 회수해서 경찰에게 인계하는 것"이라고 했어요. 그래서 "당연히 경찰하고 소통이 될 것이고 그런 것들은 자기들이 잘 할테니 염려하지 않아도 된다"고 했어요. 그래서 그 때부터는 국정원을 믿고 요청에 무조건 따라야 한다고 생각했습니다.

A: Before receiving the official document, I couldn't trust them and had much anxiety and concern, but after receiving the official document, meeting them, and hearing the explanation, I thought we must absolutely follow.

And at the end before parting, they gave various explanations and seemed to be taking photos and reporting internally. That appearance made me very nervous like it was a spy movie. So I expressed the intention that we would naturally follow this operation, and asked, "Then when is the start of this operation?" When I asked that, since we gave the suspect information, they said, "Immediately from this point."

And this is an assumption, but seeing them internally reporting about the suspect's personnel record and hearing the answer that the operation has started from this point, I thought they were already trying to check this suspect locally.

Ah, and I don't remember the specific date and place, but they asked for confidentiality and when we said on this day, "What about the police? I think we should inform the police about this too...", they said, "Naturally, the ultimate goal of this operation is to safely retrieve the materials and hand them over to the police." So they said, "Naturally communication with the police will happen, you don't need to worry as we will take care of it." So from then on, I trusted the NIS and thought I must follow their requests unconditionally.

문 : 진술인과 박대준의 12. 2. 통화에서, 박대준이 법무팀의 공문 검토 여부를 묻자, 진술인이 '사실상 국정원 협조 공문이지만 사실상 이걸 강제적으로 따라야 해서 뭔가 이걸 다 해줘야 할 것 같습니다'라고 한 것은 진술인의 의견인가요. 법무팀의 해석을 받은 것이었나요.

Q: In the call between you and Park, Dae-jun on December 2, when Park, Dae-jun asked about the Legal team's review of the official document, you said, 'Although it is an official NIS cooperation document, effectively we are forced to follow it, so it seems we have to accommodate all requests.' Was this your opinion? Or was this the interpretation of the Legal team?

답 : 법무팀의 해석을 토대로 제 발언이었습니다.

A: It was my remark based on the Legal team's interpretation.

Q: Was the legal interpretation of Legal team's Senior Managing Director [REDACTED] at the time also that the NIS cooperation was mandatory and must be followed?

답 : 강제라는 워딩이 있었는지는 기억은 안나구요. 이 정도 내용이 기재되어 있어 검토를 했더니, "이걸 따라야 한다"고 했습니다.

A: I don't remember if the wording 'mandatory' was there. He said, after review of what was written in the document, that "This must be followed."

문 : 당시 국정원의 업무 협조 요청이 강제 사항이니 따라야 한다는 내부 법률

검토 보고서가 있나요

Q: Is there an internal legal review report stating that the NIS's cooperation request was mandatory and must be followed?

답: 없을걸요. 근데 그건 모르겠습니다. 법무팀에서 어떤 보고서를 만드는지, 저는 "말이 협조 공문이지 사실상 거의 따라야 하는 것 같습니다" 라고 얘기했어요.

A: Probably not. But I don't know about that. What kind of reports the Legal team makes. I said, "Although it is called a request for cooperation, in reality it seems to be something that must be followed".

문 : 박대준은 법률 전문가인가요

Q: Is Park, Dae-jun a legal expert?

답 : 아닙니다. 법무에서는 강제적이라는 말은 안했던 것 같은데, 반드시 따라야 한다. 의무라는 취지로 말은 했던 것 같아요.

A: No. I don't think Legal used the word 'mandatory', but they seemed to say to the effect that it must be followed, that it is an obligation.

문 : 경찰이 수사사항이나 피의자 인적사항을 외부에 알리지 말라고 했는데, 이에 대해 국정원에도 얘기를 했었나요.

Q: The police said not to inform the outside about investigation matters or the suspect's personal information; did you tell the NIS about this too?

답 : 예예.

A: Yes, yes.

문: 뭐라고 하던가요.

Q: What did they say?

답: 그래서 경찰의 보안 사항이 명시적으로 저희한테 왔기 때문에 계속해서 말씀

드렸거든요. 저희가 전일부터 염려했던게 이 지점이었는데, 그 분들이 “우리도 정부기관이고, 경찰과 우리가 물 밑에서 그동안 많이 협조도 하고 있고, 기업은 잘 모르겠지만. 우리도 쿠팡 측에 공문 보내지 않았냐, 국정원 법도 있으니 회사는 거기에 응해야 한다.”, 자기들이 경찰과 협조하고 소통은 자기들이 잘하겠다고 했어요. “작전을 안전하게, 자료들이 안전하게 회수가 되고 나서 경찰에게 인계를 하는거다” 라고 했어요. “그게 되어야 분석을 해도 빠를 것이고, 그게 빠르게 안전하게 회수해서 경찰에 인계하는 것이 궁극적인 거다” 라고 얘기를 했어요.

A: So because the police's confidentiality request came to us explicitly, I kept telling them. This was the point we worried about from the previous day, and they said, "We are also a government agency, and we and the police have been cooperating a lot under the surface, companies might not know well. Didn't we also send an official document to Coupang? Since there is the NIS Act, the company must comply with it." They said they are cooperating with the police and they will handle communication well. They said, "We are handing over to the police after the operation is safely done and the materials are safely retrieved." They said, "Only then will analysis be fast, and quickly and safely retrieving and handing over to the police is the ultimate [goal]."

문 : 당시 이 사건 수사의 주체는 어디라고 판단했나요.

Q: Who did you judge was the subject of the investigation of this case at that time?

답 : 경찰이죠.

A: The police.

문 : 국정원이 경찰의 상위기관이거나, 쿠팡 측에 영향력을 미칠 기관이 경찰보다 국정원이 우선에 있어서 국정원의 협조 요청을 들어준것인가요.

Q: Did you accept the NIS's cooperation request because the NIS is a higher authority than the police, or because the NIS takes precedence over the police as an agency that can influence Coupang?

답 : 그런거는 절대 아니었습니다.

A: It was absolutely not like that.

문 : 당시 쿠팡 측의 이익에 우선적으로 가까운 국정원의 협조 요청을 수락한 것은 아닌가요.

Q: Isn't it the case that you accepted the NIS's request for cooperation because it aligned more closely with Coupang's interests at the time?

답 : 절대 그런 것은 아니고, 제가 앞서 전술한 바와 같이 최초 국정원의 연락이 저에게 왔고, 그 날 만남을 이뤘을때도 저희는 부정적 생각이 더 강했습니다.

A: Absolutely not. As I stated earlier, the first contact from the NIS came to me, and even when we met that day, our thoughts were actually more negative.

법무의 의견도 마찬가지였고, 선부르게 이들 기관에 협조하는 것이 또다른 불이익이나 위험에 직면할 가능성이 없는지 상당히 염려를 많이 했었습니다.

Legal's opinion was the same, and we were significantly worried that cooperating hastily with this agency might put us at another disadvantage or at risk.

그러나 국정원께서 우리가 반드시 응해야 하는 근거를 문서로까지 보내주셨고, 그 이후 만남에 있어서도 국정원이 이번 사건에 지원하게된 취지, 이 사건의 용의자는 중국 국적에 거주하는 용의자이기 때문에 산업 스파이, 중국 정부 사주를 받았을 가능성 배제할 수 없고, 안보 외교 문제로 비화될 수 있고, 국민적 불안감이 증폭될 수 있는걸 미연에 초기에 방지하기 위해 초기에 하는거라는 자신들의 당위성을 설명해주셨고, 경찰을 배제하는게 아니라 궁극적 취지 자체는 안전하게 장비를 회수해서 경찰에 인계하는 것이 궁극적인 취지라고 설명을 주셨고, 경찰과의 소통도 자신들이 협조하고 물밑에서 지원한 경우가 많기 때문에 경찰과의 소통은 자기들이 알아서 할 것이기 때문에 걱정하지 않아도 된다고 말해서 그 시점부터는 의구심을 가지지 않았습니다. 질문해주셨던 것에 부합했다면 박대준 대표님도 그날 저녁과 같이 반응하시지 않았을 것으로 생각합니다.

However, the NIS sent us the basis even in a document demonstrating why we must absolutely comply, and in the subsequent meeting, they explained the purpose behind their involvement

in this case; Since the suspect is a Chinese national residing in China, the possibility of industrial espionage or involvement at the direction of the Chinese government cannot be ruled out, and that the matter could escalate into a national security or diplomatic issue and increase public anxiety. They emphasized that their early intervention was intended to prevent such risks in advance. They also clarified that this was not about excluding the police; rather, their ultimate objective was to safely secure and recover the equipment and then hand it over to the police. They added that they frequently coordinate and provide behind-the-scenes support to the police, and that we need not worry because they would handle communications with the police themselves. From that point onward, we no longer had doubts. If the situation had been as you suggested in your question, I do not believe Representative Director Park, Dae-jun would have reacted the way he did that evening.

문 : 자료 제출 및 전술한 대화들이 완료된 이후는요

Q: What about after the material submission and the aforementioned conversations were completed?

답: 마지막에 이 작전이 언제부터 시작인지 묻고 답을 듣고 나서는 그 자리는 끝나고 헤어졌습니다.

A: At the end, after asking when this operation starts and hearing the answer, the meeting ended and we parted.

그리고 이 날을 기점으로 저희가 의구심을 안가지게 되었다고 말씀드렸는데 “설사 저희에게 요구하는 자료들에 있어서도 기관들에 제공되지 않았는데 먼저 달라고 하는 일은 절대 없을거다”, “이미 경찰이나 민관조사단에 제출된 자료에 있어서 달라고 할 것이지, 제공되지 않은 걸 달라고 하는 일은 없을거다” 라는 말을 했습니다.

And I said we stopped harboring doubts starting from this day, as they said, “Even regarding materials required from us, there will absolutely be no case of asking for things first that haven't been provided to other agencies,” and “We will ask for materials already submitted to the police or the public-private investigation team, and there will be no case of asking for things that haven't been provided.”

문 : 진술인의 방금 진술을 뒷받침할 근거가 있나요.

Q: Is there any evidence to support your statement just now?

답 : 근거.. 사실 그건 없습니다. 녹음파일 그런건 없어요.

A: Evidence... Actually, there isn't. There are no recording files or such.

그리고 차차 말씀드릴거지만 수사관님께서도 저희 국정원이랑 같이 중국간거 아시죠?

And I will tell you gradually, but Investigator, you also know we went to China with the NIS, right?

문 : 모릅니다.

Q: I do not know.

답: 아, 네 저는 어느정도 아시는 줄 알았습니다.

A: Ah, okay. I thought you knew some part of it.

이때, 진술인의 요청으로 휴식하다(16:04~16:14)

At this point, a recess was taken at the declarant's request (16:04~16:14).

문 : 진술인은 수사팀에게 2025. 12. 1. 전부터 중국에 있는 용의자를 쿠팡에서 접촉하여 기기를 회수하겠다는 제안을 했던 적이 있지요.

Q: You had made a proposal to the investigation team even before December 1, 2025, that Coupang would contact the suspect in China and retrieve the device, right?

답: 접촉해서 회수하겠다는 구체적인건 아니었고, 날짜는 확인해봐야겠지만 2025. 11. 30.인가 12. 1.인가 저희가 회사 메일로 서울청에 용의자가 중국 상해에 근무하는 직원에게 메시지를 보내는게 뒤늦게 공유가 되었었습니다.

A: It was not such a specific proposal that we would contact the suspect and retrieve the device.

As for the date, I would need to check, but on either November 30 or December 1, 2025, through company email to the Seoul Agency... we were belatedly informed that the suspect in China had sent a message to an employee working in Shanghai.

그걸 경찰에 메일을 보낸게 있을텐데, 그날 메일을 보내기 전이었는데 아침인지 전날 밤인지 잘 기억이 안나는데.. 대화 내용이, 보셔서 알겠지만 누군가에게 쿠팡 통지문 이미지를 보내서 한국에 무슨일이 있어? 하며 떠보는 내용으로 기억하는데요. 이메일을 보내기 전에 제가 수사 팀장님께 전화를 드려서 그러한 사실을 먼저 보고를 드립니다. 그 날인지 그 다음 날인지 기억은 안나는데요. 그 시점에 제가 연락을 드려 용의자가 저희 직원 통해 연락이 왔으니 이걸 통해 답변을 유도해 회수나 대화를 해보면 어떻겠냐는 취지로 의견을 여쭙봤습니다.

There must be an email sent to the police about that. Before sending the email that day, I don't remember well if it was morning or the previous night... The content of the conversation, as you may know if you saw it, was that the suspect sent someone an image of the Coupang notice and, as I recall, asked something like "Is something happening in Korea?" as if probing. Before sending the email, I called the investigation team leader and first reported this fact. Whether it was that same day or the day after, I am not entirely certain, but at that point I contacted him and asked for his opinion on whether, since the suspect had reached out to our employee, we could use this opportunity to induce a response and attempt retrieval or communication.

문: 진술인의 당시 제안을 수사팀에서 받아들이지 않던 중에 국정원 측에서 쿠팡 측의 계획과 부합되는 협조 요청이 왔기 때문에, 수사 주체인 경찰의 '피의자 직접 접촉을 금하고 외부 발설을 삼가해달라'는 취지의 협조 요청을 거부한 것인가요.

Q: At the time, your proposal was not accepted by the investigation team, but the NIS made a cooperation request that aligned with Coupang's plan, so you refused the request from the police—who were the subject of the investigation—asking you “not to make direct contact with the suspect and to refrain from external disclosures”. Is this the case?

답: 전혀 그런 것은 아니구요. 제가 당초에 수사팀에 했던 것도 제가 개인적으로

의견을 한번 여쭙봤던 것이었고요. 그때도 부정적 반응이 있으셔서 그 이후로 아무 행위도 하지 않았고, 그 행위 자체도 제가 회사 내부에 보고도 드리지 않았습
니다. 박대준 대표님께도 그렇고, 수사팀장님께 여쭙봤던 내용을 내부에 말씀드리
지 않았습니다.

A: Not at all. What I initially raised with the investigation team was merely my personal inquiry seeking their opinion. They responded negatively even then, so I took no action thereafter. I also did not report that idea internally within the company. Neither to RD Park, Dae-jun nor anyone else internally was informed of what I had asked the investigation team leader.

그렇기 때문에 국정원이 연락을 처음에 했던 그 때에도, 11. 30. 박대준 대표님이 비공식 회의에 간 뒤 후속 조치였고, 국정원 연락은 걸 대표님께 말씀드렸을때도 부정적이고 염려가 컸던게 사실입니다.

Therefore, even when the NIS reached out for the first time, it was a follow-up measure after RD Park Dae-jun went to the off-the-record meeting on November 30, and it is true that when I told the RD about the NIS' contact, his reaction was negative and we had significant concerns.

문 : 진술인은 법률을 전공하였거나 변호사 자격 등 전문적인 법률지식을 가지고
있나요.

Q: Did you major in law or do you possess professional legal knowledge such as a lawyer qualification?

답 : 없습니다.

A: No.

문 : 평소에 경찰, 국정원으로부터 협조 요청 공문을 받아오면서, 매번 상부에 보고하지 않다가 본건의 경우 사안의 중대성으로 인해 상부와 법무팀에 함께 보고
되었다고 했지요

Q: You said that whenever you receive official letters from the police and the NIS requesting cooperation, you do not report them to the upper level each time, but in this case, you reported it to both the upper level and the Legal team because of the seriousness of the matter. Is that

correct?

답: 이거를 정정드리고 싶은데, 애시당초 2025. 11. 30. 과기부 부총리 주제 비공식 회의에 다녀오시고 대표님께서 국정원에서 연락을 수 있다고 언질을 주셔서 그에 따라 박대준 대표님께 자연스럽게 보고드리게 된 것입니다.

A: I would like to correct that. After the informal meeting on November 30, 2025 hosted by MSIT, Deputy Prime Minister, the RD informed me that there could be contact from the NIS. Based on that, I naturally reported the matter to the RD.

물론 이 사안의 중요성이 매우 높은것도 사실이기 때문에 법무팀에게 검토 의견을 여쭙것도 사실이나, 통상적으로 업무를 수행할 때에도 법무팀에 자주 검토 의견을 여쭙면서 업무를 진행하였습니다.

It is true that, given the seriousness of the issue, I also sought the Legal team's review; however, even in ordinary circumstances, I frequently seek the Legal team's review before proceeding.

Q: If it was such an important matter, didn't it require Senior Managing Director [REDACTED] accurate legal interpretation?

답: 네, 그래서 법률 해석을 받은거지 않습니까. 그리고 자리에도 같이 갔었구요.

A: Yes, that's why I sought the legal interpretation. And we went to the meeting together too.

문: '말이 협조 공문이지 사실상 거의 따라야 하는 것 같습니다'라고 보고한 것은 법률 해석에 근거하지 않는 진술인의 감정에 의한 대답이라고 볼 수 있는데요.

Q: You reported that, "although it is called a request for cooperation, in reality it seems to be something that must be followed". It seems that this statement was not based on any legal interpretation, but rather on your personal feelings.

답: 아까 단서를 말씀드린 것처럼 법무에게 공문에 대한 검토 의견을 물었을때도

반드시 따라야 하는 사안이라고 답변을 받았기 때문에 그 말씀을 전달한 겁니다.

A: As I mentioned earlier, when I asked Legal for their review of the official letter, I received a response that it is a matter that must be followed, so I conveyed those words.

문 : 반드시 따라야 하는 근거를 진술인은 찾아보았나요.

Q: Did you look up the basis for why it must be followed?

답: 네. 제가 공문을 봤을때도 국정원법이 나열되어 있었고요. 특히 국정원법 제5조 내용이 있는데, 뭐뭐뭐 요청할 수 있고, 요청할 수 있는 객체는 응해야 한다 뭐 이런 내용이 있었습니다.

A: Yes. When I saw the official letter, it referenced the NIS Act. Especially there was Article 5 of the NIS Act, saying they can request blah blah, and the object receiving the request must comply, something along those lines.

아, 이거 내용이 좀 쎄데? 생각하고 법무팀에 여쭙보니 국정원법 제5조는 쿠팡에 서는 따라야 한다고 얘기를 했습니다.

I thought, "Ah, this seems very serious", so I asked the Legal team, and they said Coupang must follow Article 5 of the NIS Act.

문 : 수사기관으로부터 쿠팡 서비스에 대한 각종 협조요청 및 압수영장 집행을 진술인을 많이 경험해오지 않았나요.

Q: Haven't you experienced various cooperation requests regarding Coupang's services and execution of seizure warrants from investigative agencies?

답 : 네.

A: Correct.

문 : 협조 요청과 압수영장 등 강제 처분의 차이를 알고 있지요.

Q: You know the difference between cooperation requests and compulsory measures such as seizure warrants, correct?

답: 제가 법률적 지식이 있는 건 아니어서 정확하게는 모르겠습니다만, 제 경험
적상 말씀을 드리면, 경찰에서 협조 공문이 왔었을 때, 아 일단은 모든 수사기관
정부 기관 협조 요청이 왔을때 저희는 사기업이니 뭐든 가볍게 하지 않고 압수영
장의 경우 무조건 제공하는 것으로 알고 있고 협조 공문일 경우에 상당히 많은
민감한 개인정보가 있거나 이럴 때에는 가급적 요청 기관에 양해를 드렸던 적이
많습니다. 그래서 절충하거나 했던 사례들이 많이 있습니다.

A: I don't have legal knowledge, so I can't say this with complete certainty, but based on my
experience: when we receive cooperation requests from the police—or from any investigative
or governmental authority—we never take them lightly, as we are a private-sector company.
As far as I know, in the case of a seizure warrant, we are required to provide the requested
information without exception. However, when the request comes in the form of a cooperation
letter, and it involves a substantial amount of sensitive personal data, we have often asked the
requesting agency for understanding. In many of those cases, we worked out a compromise.

그런데 이번 국정원의 공문은 그러한 형태의 협조공문과는 달랐다고 판단하였습
니다.

However, I judged that this official document from the NIS was different from that form of
cooperation request letter.

문 : 어떻게 달랐나요

Q: How was it different?

A: Because Senior Managing Director [REDACTED] from the Legal team told me, "We must
absolutely follow what is specified under Article 5 of the NIS Act."

그리고 여담이지만 얼마 전에도 다른 사건으로 국정원에서 공문이 왔는데, 그것
도 법무팀에서 따라야 한다고 해서 제공한 걸로 알고 있습니다.

And as an aside, we received another official document from the NIS for a different case a

while ago, and my understanding is that we provided the requested materials because the Legal team said we were required to comply with that as well.

문 : 국정원의 협조 요청이 강제 처분이나 불이익 수반, 미이행 시 처벌 등 강제력이 수반된 근거로 요청된 것인가요

Q: Was the NIS's cooperation request made on grounds that involved coercive elements, such as compulsory measures, accompanying disadvantages, or punishment for non-compliance?

답 : 공문의 내용에 그런 건 없었습니다. 법에 근거들이 기재되어 있으니 이러한 걸 근거로 요청에 응해달라는 내용이었습니다.

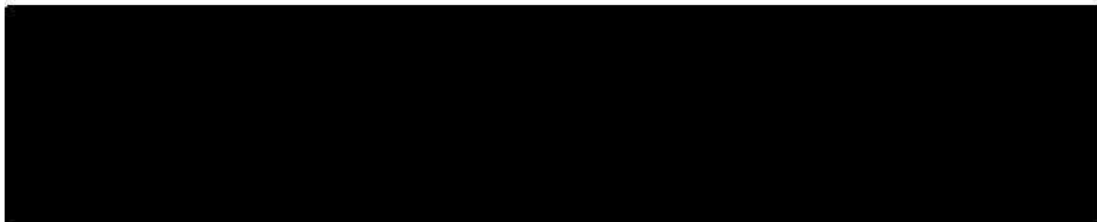
A: There was nothing like that in the official document. It said, since the law provides the grounds, please comply with the request based on those grounds.

문: 2025. 12. 2. 한정식 식당에서 국정원과 헤어지고 난 뒤는요

Q: What about after parting with the NIS at the Korean restaurant on December 2, 2025?

답: 그 날은 그렇게 헤어졌습니다.

A: We parted like that on that day.



The next day, December 3, 2025, Investigator [REDACTED] contacted me and said, "We want to hear explanations about the technical aspects explained to the police or the public-private joint investigation team so far," and "Give us basic materials, materials we can refer to," so I conveyed this again to Senior Managing Director [REDACTED] at the Legal team.



Senior Managing Director [REDACTED] said "Okay," and much later that day, he gave me a USB on the 25th or 26th floor of Coupang Headquarters in Jamsil, saying I just need to give this.

[REDACTED]

When I asked "What is inside here?", he said it contains basic materials summarizing what was explained to the police and the public-private joint investigation team, so I just need to give this. So I received the USB and called Investigator [REDACTED] asking "I received the USB, how should I deliver it to you?" He told me to come to a cafe in Jagok-dong, so I went to the Jagok-dong cafe in the afternoon and gave the USB to Investigator [REDACTED]

[REDACTED]

Q: Were only you and Investigator [REDACTED] at the Jagok-dong cafe?

답 : 국정원에서 직원이 한 명 더 왔는데, 그 분은 통성명을 나누지 못해서 그 분의 존함이나 연락처는 전혀 알지 못합니다.

A: One more employee came from the NIS, but I didn't exchange names with him, so I don't know his name or contact number at all.

[REDACTED]

Q: Compared to Investigator [REDACTED] how did this person's gender, age, and rank appear?

[REDACTED]

A: This person was a man, and he was younger than Investigator [REDACTED]

문 : 이어 진술하세요

Q: Continue your statement.

답: 카페에서 그 두 분이 디지털 조사자료 제출 확인서 서류를 주시면서 서명을 하라고 하셔서 USB에 체크하고 인계한 시점 작성하고 서명을 했습니다.

A: At the cafe, those two gave me a document called “Digital Investigation Material Submission Confirmation” and told me to sign it, so I checked the box for “USB”, wrote the time of handover, and signed.

밑에는 NIS가 아니라 NSCS인가? 이렇게 기재되어 있었고, 조사관의 이름은 기재 되어 있지 않았는데 그 사본을 저한테 한 장 주셨습니다.

At the bottom, it was written NSCS or something, not NIS. And the investigator’s name was not written, but they gave me one copy of it.



And when I saw the document and asked “What is this?”, Investigator [REDACTED] told me that intelligence agencies usually don’t give things like this, but this itself becomes grounds that the NIS is officially communicating with Coupang, so while it is burdensome for them, it would be good for us.

음지에서 뭘 이렇게 하는게 아니고 국정원 근거에 의해서 너희가 따르는 것이라 하는 증명이 된다는 취지로 설명을 해주셨어요.

He explained to the effect that it proves you are following based on the grounds of NIS, not doing something in the shadows.

문 : 서류 작성 이후에는요

Q: What about after filling out the document?

답 : 국정원에서 노트북을 가지고 와서 USB에 들어있는 파일을 열어보고 이것저것 물어보셨는데, 제가 기술적 부분에 있어서는 지식이 없어 모르겠다고 얘기했더니, 이걸 설명해줄 수 있는 사람의 연락처를 달라고 해서 지금 민관합동조사단, 경찰 대응때문에 정신이 없고 누가 대답을 잘 할 수 있을지 몰라 확인해서 다시 말씀드리겠다고 답했습니다.

A: The NIS brought a laptop, opened the files in the USB, and asked this and that. But I said I don't know because I lack knowledge in technical aspects. They asked for the contact number of a person who can explain this, and I answered that I will check and get back to them because we are preoccupied right now responding to the public-private joint investigation team and the police and I don't know who can answer well.

They asked, "Wouldn't it be better to just contact Senior Managing Director [REDACTED] for basic knowledge?" and I answered, "That would be fine."

Then they said let's just ask a few simple things, so I opened a Zoom meeting on the spot, and Senior Managing Director [REDACTED] joined the Zoom meeting and explained.

I turned on Zoom with my laptop, Senior Managing Director [REDACTED] entered, the NIS asked questions, and among the technicians, there is someone named [REDACTED] and that guy came briefly and explained shortly.

근데 제가 잘 모르는 이야기들을 하시고, 저는 노트북 카메라가 비추는 반대편에 앉아 과자를 먹고 있어서 내용은 잘 모르겠습니다.

But they talked about things I'm not familiar with, and since I was sitting on the side opposite the laptop camera eating snacks, I didn't really catch what they were saying.

그 날은 그걸로 끝났습니다.

That day ended with that.

문 : USB 자료 제출에 대해서는 박대준 대표에게 보고하지 않았나요

Q: Did you not report to Representative Director Park, Dae-jun about the USB material submission?

답 : 네. 보고 안했습니다.

A: No. I did not report.

문 : 안한 이유는 무엇인가요

Q: What is the reason you didn't?

답 : 그때 박대준 대표님께서는 엄청 많이 불러다니셔서 전화통화가 용이하지 않았구요.

A: At that time, RD Park, Dae-jun was being called around a lot, so phone calls were not easy.

근데 중간 보고에 있어서 2025. 12. 2. 이후 기점으로 국정원 공문 받고 설명도 끝난 과정에 의구심을 가지지 않았고, 국정원은 필요한 자료를 요구할 수 있고 우리는 제공할 방침이라고 박대준 대표님께 먼저 말씀드렸었어요.

As for interim reporting, starting from after December 2, 2025, after receiving the NIS official document and the explanation, I didn't have doubts, and I had already told RD Park, Dae-jun that the NIS may require necessary materials and that we intend to provide them.

얘기를 드린건 2025. 12. 3.경 USB 제출한 이후인 것 같은데, 박대준 대표님이 "별일 없냐? 어떻게 되냐?"라고 말씀하셔서 "국정원에서 자료를 요청하고 우리가 줘야할 거 같아서 그러는 중이다" 이런 식으로 말씀드렸더니 다른 말씀은 없으셨어

요.

I think I told him around December 3, 2025, after submitting the USB. RD Park, Dae-jun asked, "Any issues? How is it going?" and I said something like, "The NIS is requesting materials and it seems we have to give them, so we are in the process of doing so," and he didn't say anything else.

문 : 2025. 12. 4. 는 요

Q: What about December 4, 2025?

[REDACTED]

A: Investigator [REDACTED] called me and asked, "We want to know more about technical aspects, so whether under Attorney [REDACTED] presence or not, can we meet [REDACTED] and talk?" I said, "Right now the public-private joint investigation team and police investigation are urgent, and this guy is the one who has to do all that work, so I am cautious. Since I cannot arbitrarily tell him to do this or that, I will contact you after discussing internally."

[REDACTED]

Internally they said it wouldn't be feasible, but since there was a demand from the NIS, I requested confirmation from Senior Managing Director [REDACTED] at Legal.

[REDACTED]

[REDACTED] also told me to ask for their understanding and tell them to wait because the public-private

[team] and the police are the most important right now. Very late that night, I received a response that they would be available on December 5, 2025. So I contacted Investigator [REDACTED] again late that night, and when I told him we could not go, he said they would come, so I told him to come around 13:00 or 14:00 on December 5, 2025.

문 : 2025. 12. 5.를 이어서 말씀해보세요.

Q: Continue speaking about December 5, 2025.

[REDACTED]

Around 13:00 or 14:00 on December 5, 2025, the two people who were there on December 3 came to a place like a shared office near the Jangmi Shopping Center in front of the company, stayed for less than two hours, and left. I, Senior Managing Director [REDACTED] and [REDACTED] went, and [REDACTED] answered the technical questions they asked.

[REDACTED]

The overall content felt like a summary of the announcements made by the police and the public-private joint investigation team. One thing that stood out was something Investigator [REDACTED] said at the end. He said something along the lines of: “I’m not sure if this is the right expression, but while we know the hacker conducted multiple hits or crawls on personal data — like MyCoupang and other places — when you look at the actual data he took

outside, is it possible that the amount of the data he took outside might actually be less than what he hit?” And then Senior Managing Director [REDACTED] said, “This is a delicate thing to comment on, but honestly, we don’t know. He could have taken more than that, or he could have taken less — at this point, there’s no way for us to determine that.” That’s what I remember.

그러면서도 고맙다고 했고, 앞으로도 궁금한게 있으면 저를 통해서 물어보겠다고 하셔서 그러라고 했습니다.

The investigator said thanks, and he said he would ask through me if he had questions in the future, so I told him to do so.

그러면서 "만일 중국에서 용의자의 디바이스를 회수하게 될 경우에 이것을 어떠한 방식으로 할 지에 대해 고민을 하고 있다."라고 얘기를 하면서, "쿠팡 중국 현지 법인의 직원에게 도움을 받을 수 없냐"는 질문도 있었고, "접촉이 필요하니 그런 친구들도, 다방면으로 생각을 하고 있는데 중국 현지 법인에 친했던 동료가 누구인지 찾아서 도움을 받을 수는 없냐", "너무 앞선 생각이기는 하지만 이게 회수가 되었을 때 그거에 대해서 바로 분석할 수 있는 업체, 중국 현지 업체라는 지.." 그런 업체들 얘기를 좀 하셨어요. 그리고 끝나고 해산했습니다. 그 뒤에는 뭐 없었습니다.

And he said, “We are contemplating on, if we get to retrieve the suspect’s device in China, how we should do it”. And there was a question, “Can’t we get help from an employee of Coupang’s local entity in China?” He also said, “Since contact is needed, we are thinking in various ways including his friends – can’t we find someone who was his close colleague in the Chinese local entity and get help?”, “It’s a bit premature thought, but once the device is retrieved, is there a company that can analyze it immediately, like a Chinese local company...” The meeting ended and we disbanded. There was nothing after that.

문 : 국정원으로부터 받은 디지털 조사자료 제출 확인서 사본을 제출할 수 있나요.

Q: Can you submit the copy of the Digital Investigation Material Submission Confirmation received from the NIS?

답 : 네, 변호사님을 통해서 추후에 제출하겠습니다.

A: Yes. I will submit it later through the lawyer.

문 : 2025. 12. 6.에요

Q: What about December 6, 2025?

답 : 늦은 저녁이었던 것 같은데.. 이것도 경찰에게 제공은 됐을 겁니다.

A: I think it was late evening... This must have been provided to the police too.

쿠팡에 중국 국적을 가진 한국에 근무하는 직원들간의 사적 교류를 하는 위챗 단체 대화방이 있었나봅니다.

It seems there was a WeChat group chat room for private interaction among employees with Chinese nationality working in Korea at Coupang.

한 100여명 정도 있다고 했던 것 같은데, 거기에 용의자가 등장을 해서 자기가 억울하다는 입장을 남기며, 쿠팡 한국 법무팀의 연락처를 알려달라는 취지의 메시지를 남겼다는 제보를 공유받았습니다.

I think they said there were about 100 people. I received information about a report that the suspect appeared there, leaving a comment that he is innocent, and left a message to the effect of asking for the contact number of Coupang's Korean Legal team.

[REDACTED]

As soon as I received that information that night, I conveyed it to NIS Director of Investigation Division or Investigator [REDACTED] It could be both.

문 : 무슨 수단으로 전달했나요

Q: By what means did you convey it?

답 : 정확하지는 않은데 위챗 단체대화방의 캡처본을 문자메시지 또는 시그널로 전달했던 것 같습니다.

A: I don't remember it exactly, but I think I conveyed the capture of the WeChat group chat room via text message or Signal.

문 : 국가정보원 직원들도 시그널 메신저를 사용했던 건가요

Q: Did the NIS employees also use Signal messenger?

답 : 이 분들도 시그널을 사용하고 있었어요.

A: They were also using Signal.

[REDACTED]

The time I received the share was on the night of the 6th, and I told the Director of Investigation Division or Investigator [REDACTED] that I'm sharing this information both with the police and the NIS.

문 : 전에 통화도 시그널로 했나요

Q: Were the previous calls also made via Signal?

답 : 대체적으로 한국에 있을 때는 일반 전화를 많이 했는데 개중에는 시그널로 왔던 적이 있었던 것 같습니다. 중국에 있을때는 시그널로만 통화했습니다.

A: Generally, when we were in Korea, we used regular phone calls a lot, but I think there were times when some of the calls came through Signal. When in China, we called only via Signal.

그 시점에 이런 말씀도 같이 드렸는데, 이렇게 용의자와 관련된 자료가 생기면 경찰이랑 국정원에도 함께 보고하겠다고 얘기했습니다.

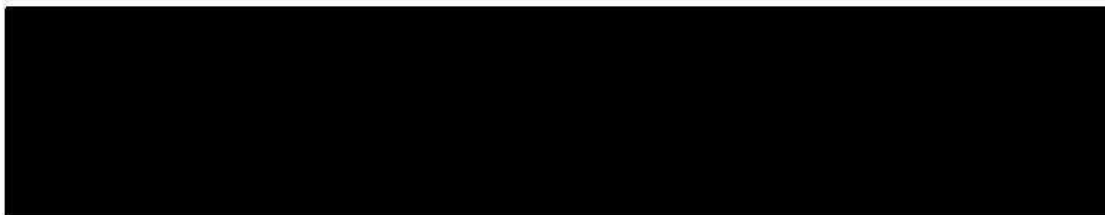
At that point, I also said this: if we get any information related to the suspect like this one, I will report to both the police and the NIS.

그리고 앞전에도 국정원에서 누구인지는 정확히 모르겠지만 경찰에도 보고하냐고 해서, "네 경찰에도 보고해야합니다" 라고 했더니 다른 말씀은 없으셨던 걸로 기억합니다.

And before that too, someone from the NIS, I don't know exactly who, asked if I'm reporting to the police too, and when I said, "Yes, I must report to the police too," I remember they didn't say anything else.

문 : 국정원에서 자료를 받고 다른 얘기는 없었나요

Q: Was there any other talk after the NIS received the information?



A: At that time, it probably wouldn't have been me reporting to the police; the Legal team would have contacted them. I believe I contacted the NIS. I don't remember the exact time I informed them, but I sent the photo to one of the two, Director [REDACTED] of the Investigation Division or Investigator [REDACTED] and the calls came from both of them alternately.

제가 어렴풋이 듣기로는 두 분이 같은 부서가 아니라서 양쪽 다 전화가 온 걸로 알고 있습니다.

I vaguely heard that the two are not in the same department, so I understand calls came from both sides.

아무튼 그 사진을 받고 두 분 다 전화로 "용의자에게 연락을 해보자"라고 말씀 하셨습니다.

Anyway, receiving that photo, both said on the phone, "Let's try contacting the suspect."

그래서 어떻게 대화를 하냐고 물었더니 "그 쪽에 직원들 누구 하나 해서 연락을

해보면 되는거 아니냐"라고 말씀하셔서, 그 요청사항을 내부 법무팀 메시지에 공유를 했습니다.

So I asked how to contact, and they said, "Can't you just get one of the employees there to contact him?", so I shared that request on the internal Legal team messenger.

한 2025. 12. 5., 12. 6. 기점으로는 저는 항상 시그널에 있는 법무팀 소규모 대화방에 내용들을 공유했습니다.

Starting around December 5 or 6, 2025, I always shared information on the Legal team's small chat room on Signal.

문 : 법무팀 단체 대화방에는 누가 있었던 건가요

Q: Who were in the Legal team's group chat room?

[REDACTED]

A: Only 4 people: [REDACTED] Vice President [REDACTED], Vice President [REDACTED] and me.

"국정원에서 대화 시도하랍니다"라고 국정원의 요청을 전달 했을 때, 세 명 모두 상당히 반응이 부정적이었습니다.

When I conveyed the NIS' request saying "The NIS says to attempt conversation," the reaction of all three was quite negative.

[REDACTED]

The gist was, first [REDACTED] spoke quite negatively in English, and as I couldn't understand even after using Papago, Vice President [REDACTED] and Senior Managing Director [REDACTED] explained it further to me by phone.

설명은 중국에 반간첩법이 있어서 중국이 한국의 정부기관에 협조하기만 해도 간첩으로 처벌받을 수 있다는 내용을 듣고 납득을 했습니다.

The explanation was that there is an anti-espionage law in China, so just by cooperating with a Korean government agency, one can be punished as a spy. I understood after hearing that.

문 : 이후에 국정원에는 뭐라고 했나요

Q: What did you say to the NIS afterward?

답 : 제가 두 분과 같이 소통을 하기 때문에 정확히 누구에게 연락을 했는지는 기억이 잘 나지 않는데, 어떤 한 분에게 연락을 드리면 다른 한 분에게 연락이 오는 형태였습니다.

A: Since I was communicating with two persons, I do not clearly recall whom I contacted, but the pattern was that when I contacted one of them, the other would contact me.

국정원에는 "저희 직원이 이렇게 하는 건 안된답니다"라고 말하니, 왜냐고 물어 "중국 현지에 반간첩법이 있어서 중국 국민이 한국 기관에 협조하는건 반간첩법에 의해 처벌받을 수 있어서 안된답니다"하고 보고를 드렸습니다.

I told the NIS, "They say our employee cannot do this," and when they asked why, I reported, "They say it's not allowed because there is an anti-espionage law in China, so a Chinese citizen cooperating with a Korean agency can be punished by the anti-espionage law."

그랬더니 "아 그래요?" 식의 반응으로 수궁하는 듯 했는데, 통화가 한 번에 끝나는게 아니라 며칠간 "이렇게 하면 어때요?"식의 여러 통화가 이어졌습니다.

Then they seemed to accept with a reaction like "Oh, really?", but the call didn't end at once, and various calls like "How about doing this?" continued for a few days.

그래다 어느 시점에 "한국의 법무팀에서 용의자에게 연락을 시도하면 어떠냐"라고 하여, "전 회사에서 연락하는 것이고, 한국 전 회사에서 연락하니 반간첩법에 영향을 받지 않을 것이고, 용의자의 메시지를 보면 한국 쿠광 법무팀의 연락처를 누가 나한테 알려달라는 식으로 말을 하기 때문에, 반대로 연락을 기다리고 있다

는 의미로도 보이니까 한국 법무팀에서 연락을 해보라고” 말씀을 했습니다.

Then at some point, they said, “How about the Korean Legal team attempting to contact the suspect?”, saying “It would be the former company making the contact, and because the contact would be made by the former company in Korea, it would not be subject to the anti-espionage law. Also, judging from the suspect’s messages—where they say things like asking someone to give them the contact information for Coupang Korea’s Legal team—it could also be interpreted as the suspect waiting to be contacted. So, the Korean Legal team can try reaching out.”

저희 내부적으로는 법무팀에서 연락하는 자체에 대해서도 좀 주저하면서 며칠이 흘렀습니다.

Internally, we were somewhat hesitant about having the Legal team make contact, and several days passed.

문 : 국정원에서 쿠팡 한국 법무팀에서 용의자에게 연락해보라고 한 시점은 언제 인 건가요

Q: When did the NIS suggest that Coupang Korea’s Legal team try contacting the suspect?

답 : 2025. 12. 6. 밤 아니면 2025. 12. 7. 오전에 처음 위챗 대화방 내용을 공유했던 시점인데, 중국 현지 직원을 통해 연락해보라는거에 난색을 표하니, 시간이 좀 흘렀다가 한국 법무팀에서 하면 되겠네 라고 했으나 그 때도 저희가 상당히 주저했습니다. 이게 2025. 12. 9.까지 흘러갔습니다.

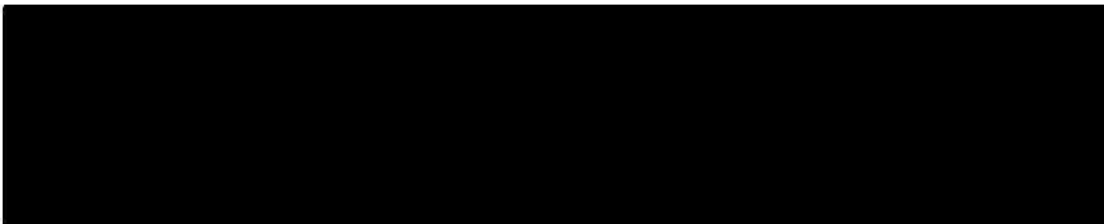
A: It was when I first shared the WeChat group chat conversation... on the night of December 6, or the morning of December 7, 2025. Since we expressed reluctance to contacting through a local Chinese employee, some time passed, and they said then the Korean Legal team may do it, but we remained significantly hesitant at that time, too. This went on until December 9, 2025.



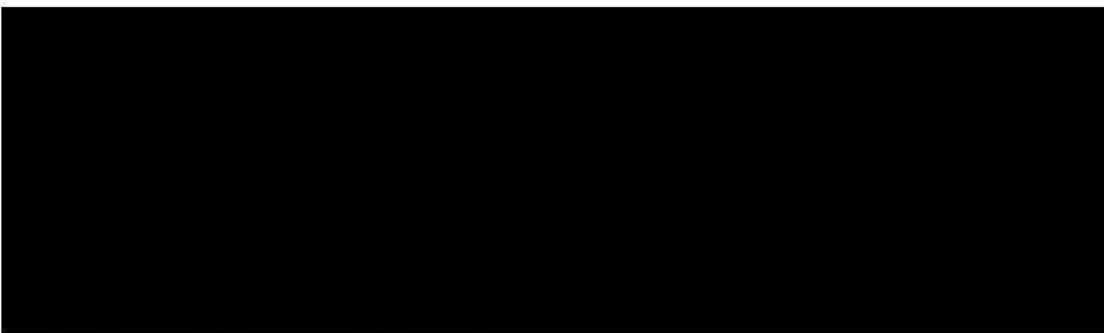
And we asked the NIS, "What should we do regarding the police? Should we report this to the Korean police?", and Director [REDACTED] and Investigator [REDACTED] said, "There is a very high probability that the suspect will not respond if the Korean Legal team reaches out, so let's wait for a response and then make a decision."

그래서 "답변오면 경찰에 보고하면 되지"라는 거였고, 결국 2025. 12. 9.경 한국 법무팀에서 국정원 요청에 응해서 그대로 용의자에게 문자메시지를 처음으로 보냈습니다.

So, the position was that, "We can report to the police once we receive a response" and eventually around December 9, 2025, the Korean Legal team, in response to a request from the NIS, sent a text message to the suspect for the first time.



On Signal, Senior Managing Director [REDACTED] sent a screenshot image stating, "The text message has been sent out." Upon seeing this, I thought to myself, 'Ah, it has been sent; everything was done exactly as the NIS requested,' and I forwarded the screenshot as-is to one of the two NIS officials. I do not recall precisely which of the two I sent it to. I don't remember exactly to whom I sent it.



Additionally, guidance was given regarding the content of the text message to be sent to the suspect by the Korean Legal team. The guidance included instructions such as: "The message

should be sent by the Korean Legal team,” “Never speak in a manner that presumes or characterizes [REDACTED] as a hacker,” “If the message is phrased in a presumptive manner, the suspect may become frightened and attempt to flee,” and “Send a message in a calm and concise manner.” The guidance further stated that the message should be along the lines of: “We would simply like to have a technical conversation with you. We are willing to accommodate any time and method of communication you prefer, and we would like to discuss technical matters only.”

문 : 박대준 대표에게는 보고하지 않았나요

Q: Did you not report to Representative Director Park, Dae-jun?

답 : 용의자가 연락해온 내용이 있어 경찰, 국정원에 얘기했다는 내용은 보고했지만, 용의자에게 연락을 취한 부분에 대해서는 별도 보고를 드리지 않았습니다.

A: I reported that there had been communications initiated by the suspect and that this had been conveyed to the police and the NIS, but I did not report separately on the part about contacting the suspect.

문 : 보고하지 않은 이유가 있나요

Q: Is there a reason you didn't report?

답 : 연석 청문회, 현안 질의로 바빠서서 대표님과 연락이 거의 되지 않았습니다.

A: Contact with the RD was almost impossible because he was busy with joint hearings and pending issue inquiries.

압수수색한 2025. 12. [판독불가] 경 압수수색으로 사이버수사과장님께 인사드리러 오신다고 하셨는데.. 갑자기 오전 10시인가 11시인가 못온다고 하셨습니다.

Regarding the search and seizure... on December [illegible], 2025, the day of search and seizure, he said he would come to greet the Cyber Investigation Section Chief... but suddenly around 10 or 11 AM, he said he couldn't come.

[REDACTED]

[REDACTED]

Q: Did you understand and answer earlier that [REDACTED] and [REDACTED] being 'US Legal' means they belong to Coupang Corp. and handle duties related to US legal affairs?

답 : 아니요, 사실.. 제가 쿠팡 아이앤씨의 개념 자체도 제가 잘 모르고 있었고, 이 분들과는 제가 따로 업무를 논할 일이 없었기때문에 이 분들의 정식 소속과 역할은 잘 알지 못합니다.

A: No. Actually... I didn't have a clear understanding of Coupang Inc. itself, and since I had no occasion to discuss work separately with those people, I am not well aware of their official affiliations or roles.

[REDACTED]

Q: I understand that the person in charge providing materials regarding the suspect's clues in the Coupang Corp. Legal team regarding this case is Attorney [REDACTED] of the Legal team. Did Attorney [REDACTED] ever participate in the Zoom meeting locally in Shanghai, China?

답 : 없습니다.

A: She did not.

[REDACTED]

Q: Is there a special reason why the US Legal person in charge was involved in the suspect interview instead of Senior Managing Director [REDACTED]

[REDACTED]

A: There was a Zoom link. We went to the [REDACTED] Law Offices over the course of two days.

When we went on December 17, this screen was present, and on the 17th [REDACTED] was there, and on the 18th, [REDACTED] in the photo you showed was there.

[REDACTED]

Q: Why was a US Legal representative involved in the interviews instead of Attorney [REDACTED]

답 : 국정원에서 요구한 내용 법무팀 시그널에 전달하고, 법무팀 시그널에서 나온 걸 국정원에 피드백하는 것 외에는 알지 못합니다.

A: Aside from relaying the requests made by the NIS to the Legal team via Signal, and providing feedback to the NIS regarding what came out of the Legal team's Signal chatroom, I am not aware of any other matters.

중국에 가기 전까지는 제가 내용을 딜리버리 하는 역할밖에 안해서 말할게 짧습니다.

Prior to traveling to China, my role was limited to relaying information, so there is not much information I can provide.

이때, 휴식 후 문답하다. (17:45~17:56)

At this time, questioning resumed following a recess (17:45~17:56).

[REDACTED]

At this time, Senior Inspector [REDACTED] continued the questioning, Inspector [REDACTED] left, and Assistant Inspector [REDACTED]

문: 2025. 12. 10.경 박대준 대표가 사임했는데, 이때부터는 누구에게 보고했나요

Q: Representative Director Park, Dae-jun resigned around December 10, 2025. Whom did you report to from then on?

답: 법무팀 시그널 방에만 얘기하고 다른 사람에게 보고하진 않았습니다.

A: I talked only in the Legal team's Signal chatroom and didn't report to anyone else.

문 : 박대준 대표가 사임하고 선임된 새로운 대표는 누구인가요.

Q: Who is the new Representative Director appointed after Park, Dae-jun resigned?

답 : 해럴드 로저스님이십니다.

A: It is Mr. Harold Rogers.

문 : 해럴드 로저스는 언제 대표 이사로 선임됐나요.

Q: When was Harold Rogers appointed as a Representative Director?

답 : 그건 잘 모르겠습니다. 박대준 대표가 사임하면서 해럴드 로저스 님이 대표가 된다는 기사를 봤습니다.

A: I don't know that well. I saw an article that Harold Rogers would become the Representative Director as Representative Director Park, Dae-jun resigns.

문 : 이전에는 모든 연락을 박대준 대표랑 했다고 했는데 박대준 대표가 사임된 이후에 새로운 대표인 해럴드 로저스와 연락을 주고받은 적 있나요.

Q: You previously stated that all communications were conducted with RD Park, Dae-jun. Following his resignation, did you have any communications with the new Representative Director, Harold Rogers?

답: 아예 없습니다.

A: Absolutely none.

문: 왜 새로운 대표인 해럴드 로저스에게는 보고하지 않은 건가요.

Q: Why did you not report it to the new Representative Director Harold Rogers?

답: 딱히 저와 소통할 일이 아예 없었습니다.

A: There was simply no occasion for me to communicate with him at all.

문: 평상시에는 대표에게 직접 보고했는데 새로운 대표가 선임됐음에도 새로운 대표에게 보고하지 않은 특별한 이유가 있나요.

Q: You usually reported directly to the Representative Director, but is there a special reason you didn't report to the new Representative Director even though a new Representative Director was appointed?

답: 전술한 것처럼 박대준 대표님과 보고할 때도 박대준 대표님이 먼저 저에게 연락을 해주셔서 연락하게 됐고 박대준 대표님이 사임하게 된 이후에는 법무팀 시그널 방에만 전달하고 있었습니다.

A: As I stated previously, even when reporting to Representative Director Park, Dae-jun, I did so because he contacted me first. After RD Park, Dae-jun resigned, I was only relaying information to the Legal team's Signal chatroom.

새로운 해럴드 로저스님이 오시고 나서 저에게 개인적으로 연락하거나 찾지 않으셔서 따로 보고할 일이 없었습니다.

After the new Representative Director, Mr. Harold Rogers, took office, he didn't contact me personally or look for me, so there were no occasions for me to report to him separately.

문: 법무팀 시그널 방에는 해럴드 로저스는 들어오지 않은 건가요.

Q: Did Harold Rogers not enter the Legal team's Signal chatroom?

답: 네. 안들어왔습니다.

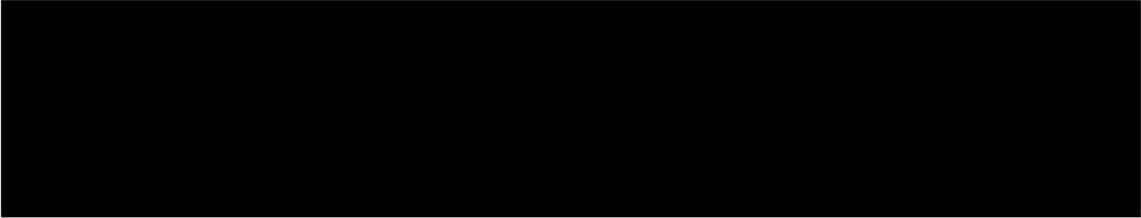
A: No, he didn't.

문: 진술인이 아니라 법무팀에서 해럴드 로저스에게 별도 보고하고 있었나요.

Q: Was it the Legal team, not you, that reported separately to Harold Rogers?

답: 그건 저는 모릅니다.

A: I do not know.



Q: In the phone call with the investigator earlier, you stated that you visited Shanghai, China around December 17~19, 2025, received a laptop from the suspect, [REDACTED] at Han Kun Law Offices in Shanghai, China, and signed an EY Consulting receipt. Is that statement true?

답: 네. 사실입니다.

A: Yes, it is true.

문: 2025. 12. 17. ~ 12. 19. 기간 회사 업무로 인한 국외 출장으로 중국 상해를 다녀온 것인가요.

Q: Did you go to Shanghai, China for an overseas business trip due to company work during the period of December 17 ~ 19, 2025?

답: 네. 그렇습니다.

A: Yes. That is correct.

문: 위 기간 중국 상해에 진술인 외 다른 출장자가 더 있었나요.

Q: Was there any other business traveler besides you in Shanghai, China during the above period?

답: 회사에선 없었습니다.

A: None from the company.

문: 중국 상해로 출국하게 된 경위가 어떻게 되나요.

Q: What were the circumstances behind your departure to Shanghai, China?



[REDACTED]

A: Around the morning of December 16, 2025, I received a call from Vice President [REDACTED] of the Legal team to the effect that important evidence had been secured from the suspect, and I was told to contact the NIS quickly.

[REDACTED]

When I reported to the NIS, they said let's meet quickly first, and around lunch on December 16, 2025, I met three people in Yangjae-dong: NIS Director [REDACTED] Investigator [REDACTED] and the one whose name I stated I do not know.

용의자로부터 데스크탑과 하드드라이브 같은 것들을 인계받았다 혹은 확보했다는 내용을 업데이트 받아서 국정원에게 보고를 하니 국정원에서 자기들은 한국 정보기관이 중국 현지에서 활동할 수 없기 때문에 쿠팡 한국에서 누군가가 대표로 중국에 가야한다고하면서 가서 가져와야한다. 고 하셨습니다.

I received updates that things like a desktop and hard drives were handed over or secured from the suspect, and when I reported this to the NIS, the NIS said that since they, as a Korean intelligence agency, cannot operate locally in China, someone from Coupang Korea must go to China as a representative to retrieve the items.

그래서 법무팀 시그널 방에 중국에 가야한다는 내용을 전달했고 방에 있던 사람들 모두 걱정을 상당히 많이 하셨습니다. 그러면서 꼭 우리가 가야하는지 계속 물으셨습니다. 그래서 국정원에게 정말 저희가 꼭 가야하는지, 아니면 제3자를 통해서 할 수 없는 것인지 등을 물어봤습니다.

So, I relayed to the Legal team's Signal channel that it would be necessary to travel to China, and everyone in the channel expressed significant concern, and repeatedly kept asking if it was absolutely necessary for us to go. So, I inquired with the NIS if we'd really have to go, if it couldn't be handled through a third party, etc.

그랬더니 한국 정보기관이 중국에서 활동한다는 사실이 알려지면 안보, 외교에 상당히 큰 문제가 생길 수 있기 때문에 반드시 쿠광에서 가야한다고 말씀을 주셨습니다. 그 사이에 상당히 위험한 일이기 때문에 계속 저희가 가야하는지 물어봤습니다. 그랬더니 자신들도 중국에 같이 가겠다고 말씀을 주셨습니다.

Then they told me that if the fact that a Korean intelligence agency is operating in China becomes known, it could cause significantly large problems in security and diplomacy, so it should be Coupang that must go. In the meantime, since it is a significantly dangerous task, I kept asking if we would really have to go. Then they told me that they would also go to China together.

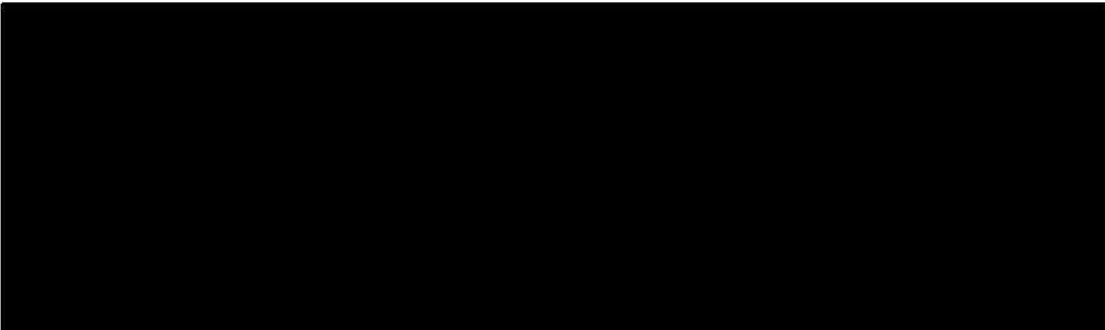
그리고 한국에 정보기관이 만일에 중국에 입국했었을 때 중국 정부에 발각이 되면 그 자체로 자신들은 생명이 위협해질 수 있는 매우 위험한 일이고 보통 이러한 일이 있었을 때 한국에 있는 정보기관들이 이런 사회주의 국가 같은 중국에 직접 넘어가는 일은 극히 드물다고 말씀하셨습니다. 그럼에도 쿠광에서 매우 염려를 하니 우리가 정말 위험한 것들을 무릅쓰고 우리들이 함께 가겠다고 말씀을 주셨습니다. 그리고 대신에 자신들이 목숨을 걸고 가는 것 정도의 아주 위험하고 민감한 일이니만큼 이 사실이 자칫 외부에 알려지게 됐을 때 중국 정부로부터의 외교, 안보 마찰이 일어날 수도 있고 또한 저를 포함한 자신들의 생명이 매우 위협해질 수 있으니 절대 이번 일에 대해서는 경찰 포함 외부 그 어디에도 말하지 말라고 말씀하셨습니다.

And they said that if a Korean intelligence agency were to enter China and be detected by the Chinese authorities, it would in itself be an extremely dangerous situation that could put their lives at risk, and that, usually when such things happen, it is extremely rare for intelligence agencies in Korea to directly travel to socialist countries like China. Nevertheless, since Coupang was expressing significant concern, they said they would take substantial risks and accompany us. And instead, given the highly dangerous and sensitive nature of an undertaking that would put their lives at risk, if this matter were to become known externally, it could lead to diplomatic or national security frictions with the Chinese government and could also severely endanger their lives as well as mine. Accordingly, they instructed that this matter

should never be disclosed to anyone outside, including the police.

문: 해당 말을 한 사람은 누구인가요.

Q: Who is the person who said those words?



A: Both Director [REDACTED] and Investigator [REDACTED] gave repeated and emphatic cautions to this effect, explaining that there had actually been an instance in which a Korean intelligence officer faced a dangerous situation while operating locally in China. So, they emphasized that, above all else, the primary objective in this matter was to ensure that, under secure conditions, we—including myself—travel to China safely, retrieve the evidentiary items safely, and return to Korea with both the individuals involved and the evidentiary items safely, which they stated was the highest priority.

그리고 회사에 가서 중국에 갈 수 있게 말을 해서 중국에 갈 수 있는지 알려달라고 말씀하시고 그 자리에서 헤어졌습니다. 헤어진 다음 저는 법무팀 시그널 방에 국정원이 말씀주셨던 모든 사항들을 전달했고 우리가 하는 걱정을 염려해서 국정원에서 중국에 같이 가서 서포트할테니 만드시 가야한다는 내용을 전달드렸고 가는 것은 어쩔 수 없다는 분위기가 형성되었습니다. 그대신 법무팀에 계신 분들이 국정원에 저의 안전을 정말 신경 쓸 수 있도록 상세한 회수 계획을 수립해달라고 부탁하라고 했습니다. 그래서 그 이후부터 제가 간다는 내용을 국정원에 말씀 드린 이후부터는 많은 통화를 진행하면서 저의 안전을 염두해 둔 상세한 작전들이 수립이 되고 변경이 되었습니다.

And they asked that I go to the company and explain, and confirm whether it would be possible for me to travel to China, and we then parted ways. Then, I relayed to the Legal team's Signal

channel everything that had been conveyed by the NIS. I conveyed that the NIS insisted I must go and promised to accompany and support me in China to address our concerns. Consequently, a consensus was formed that the trip was inevitable. But members of the Legal team requested that, to do so, we ask the NIS to develop a detailed retrieval plan that would give due consideration to my safety. Accordingly, after I informed the NIS that I would be going, numerous calls took place, during which detailed operational plans—focused on my safety—were formulated and revised.

당초에는 제가 한쿤에서 증거품을 인계받은 뒤에 한국 영사관으로 들어가는 것이 당초 계획이었으나 저에 대한 안전이 매우 염려가 되었고 이러한 부분들을 고려하여 최종 계획은 제가 한쿤 로펌에서 물건을 인계받고 1층에 내려오면 거기에 대기하고 있던 국정원 요원 1명이 저에게 물건을 전달받아서 영사관으로 가는 내용으로 바뀌었습니다.

Originally, the plan was for me to proceed to the Korean Consulate after receiving the evidentiary items at Han Kun. But due to significant concerns regarding my personal safety, and taking these considerations into account, the final plan was changed such that, after I received the items at the Han Kun Law Offices and came down to the first floor, one NIS agent who was waiting there would take custody of the items from me and proceed to the Consulate.

부연 설명드리면 중국으로 가기 전에 수 차례 국정원분들과 통화를 하면서 저한테 너무 불안해하지 말고 일단 우리의 목표는 증거품을 갖고 안전하게 귀환하는 것이고 경찰에 물품을 인계하고 전달하고 하는 부분은 국정원에서 잘 말할테니까 걱정하지말라는 당부를 해주셨습니다.

To explain further, while talking with the NIS people several times before going to China, they requested me not to be too anxious, saying our goal is to return safely with the evidence, and regarding handing over and delivering the items to the police, the NIS will talk well, so don't worry.

[REDACTED]

Q: Before Vice President [REDACTED] of the Legal team contacted you around the morning of

December 16, 2025, do you know from whom VP [REDACTED] heard that the evidence had been secured?

답: 그건 모르겠습니다.

A: I do not know.

문: 2025. 12. 16. 이전 증거물 확보에 국정원이 관여한 내용이 있나요.

Q: Was there any involvement by the NIS in securing the evidence prior to December 16, 2025?

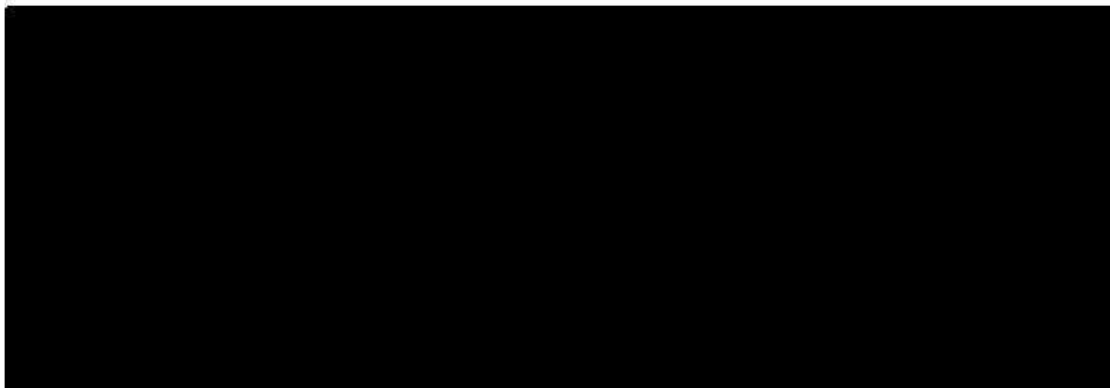
[REDACTED]

A: After the Korean Legal team sent a text message to the suspect around December 9, 2025, the NIS said they wanted to ask technical questions that day, so NIS Investigator [REDACTED] [REDACTED] the person whose name I don't know, and two Ph.D.s from a research institute under the NIS whose names I don't remember came to Jamsil, and met me and [REDACTED]

[REDACTED]

A presentation was made in the form of a recap of the matters that [REDACTED] had previously explained around December 5, 2025, and the session proceeded with the Ph.D.s asking questions about points they were curious about. Although I am not familiar with the technical details, the Ph.D.s also mentioned at that time that the amount of data actually taken by the hacker might be limited.

[REDACTED]



Although I am not fully aware of the precise sequence of events, after a text message was sent to the suspect on December 9, 2025, I discussed with Investigator [REDACTED] how we should proceed if a response were received. During that discussion, Investigator [REDACTED] mentioned the use of a forensic firm in connection with the on-site recovery. We mentioned Mandiant, while the NIS mentioned Plainbit. Because we had underlying concerns about communicating directly with the suspect, and were therefore cautious, our Legal team asked me to inquire about CN Security, a firm that handles forensics, communications, and negotiations in China. When we raised this with the NIS, they stated that it was not a verified firm and mentioned Plainbit. At that time, the Ph.D.s also commented that, unless it was a global firm such as Mandiant, it would be preferable to use a Korean firm.

문: 쿠팡 법무팀에서 2025. 12. 11.경 피의자에게 문자를 한 번 더 보낸 적 있는데 알고 있나요.

Q: Do you know that the Coupang Legal team sent a text message to the suspect once more around December 11, 2025?

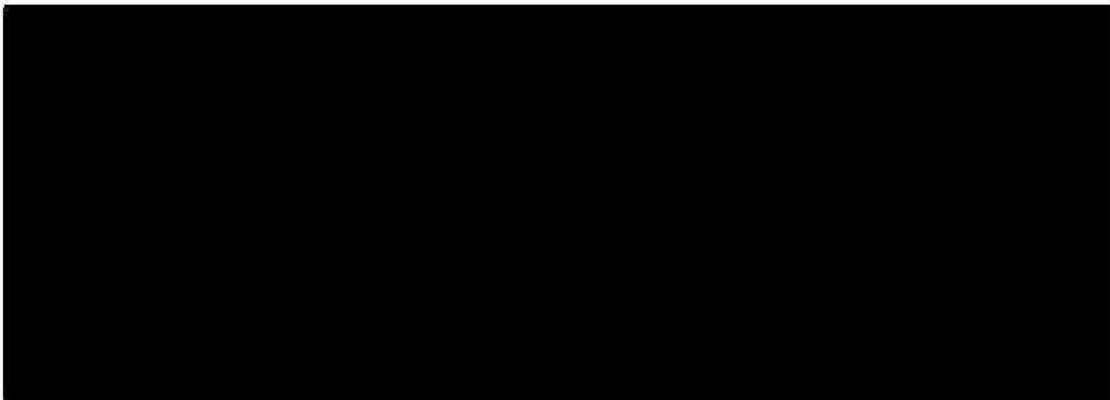
답: 네, 알고 있습니다. 저희가 2025. 12. 9.경 문자를 보낸 내용을 국정원에 보고했고 날짜는 알지 못하는데 국정원에서 답장이 왔는지 물어봤습니다. 2025. 12. 10.경에 국정원에서 다시 한번 문자를 보내라고 했어요. 이때도 구체적인 지침을 주셨는데 아주 짧고 건조하게 몇시까지 답변달라는 심플한 문자를 보내라고 했습니다. 이유는 용의자가 마치 시간은 자기편이라는 오판을 하게 해서는 안되기 때문에 단호하고 간결하게 문자를 보내라고 했습니다.

A: Yes. I know. We reported to the NIS about sending the text message around December 9,

2025, and though I do not recall the exact date, the NIS asked if any response had been received. Around December 10, 2025, the NIS told us to send another text message. At that time as well, they provided specific guidelines, instructing that we send a brief and dry text message, simply requesting a response by a specific time. The reason was that we shouldn't let the suspect misjudge that time is on his side, so they told us to send a text message in a firm and concise manner.

문: 2025. 12. 11.경 문자를 보낸 이후 피의자에게 답장 온 사실을 알고 있나요.

Q: After the text message was sent around December 11, 2025, are you aware of whether a reply was received from the suspect?



A: Yes. The reply stated that we should contact the suspect's attorney. The Legal team informed me of this, and when I reported it to the NIS, they advised that we speak with the suspect's attorney. Accordingly, in the afternoon of around December 11, 2025, Senior Managing Director [REDACTED] Vice President [REDACTED] and I contacted the suspect's attorney by phone from a conference room at the company, with the assistance of a Chinese-language interpreter. The call was very brief; we asked whether we could send technical questions, the attorney responded that we could, and the call then ended, to the best of my recollection.

그리고 통화가 끝난 뒤 이 내용을 국정원에게 보고했습니다. 그랬더니 국정원에서 자기들 내부적으로 상의해서 질문지 예시를 만들어서 저희에게 준다고 했습니다.

And after the call ended, we reported this to the NIS. Then the NIS said they would discuss internally, create sample questions, and give them to us.

문: 계속 진술해보세요.

Q: Please continue your statement.

답: 몇 시간 뒤에 국정원에서 질문지 예시를 받아서 법무팀 시그널에 남겼습니다. 이후에 법무팀에서 보냈다고 전해들었고 그 이후 국정원과는 답변이 왔는지 계속 물어봤구요. 날짜는 정확하지 않은데 용의자쪽 변호사가 답변을 거부한다고 응답이 왔는데 국정원은 그럼에도 너무 조급하게 굴지 말고 대화의 링으로 올리는 게 중요하니 계속 대화를 시도하라고 말씀을 주셨습니다. 그래서 회사에서 용의자의 변호사와 대화를 이어간 것으로 알고 있습니다. 그리고 그 사이에도 계속 국정원에서는 용의자의 변호사로부터 어떠한 답신이 있는지 계속 문의를 했고 제가 어느 시점에 현지에서 대화를 하고 있는 것 같습니다라는 얘기를 했습니다. 그랬더니 국정원에서 차분하게 기다려보라고 말씀하셨습니다.

A: Several hours later, I received sample questions from the NIS and posted them to the Legal team's Signal channel. After that, I heard that the Legal team had sent them out, and after that, the NIS kept asking whether we had received a response. Although I do not recall the exact date, we received a reply stating that the suspect's lawyer refused to answer. Nevertheless, the NIS advised us not to be impatient. They emphasized that it was crucial to bring them 'into the ring' of dialogue and urged us to keep attempting to communicate. Consequently, I understand that the company continued its dialogue with the suspect's lawyer. In the meantime, the NIS continued to ask if there had been any reply from the suspect's lawyer. At one point, I mentioned that it appeared discussions were taking place locally. In response, the NIS advised that we should wait calmly.

문: 이런 내용으로 국정원과 소통하는 사람은 회사 내 진술인 혼자였나요.

Q: Were you the only person in the company who communicated with the NIS regarding these matters?

답: 네. 국정원에서 기밀을 요구했기 때문에 소통창구, 이 상황을 공유하는 채널도 최소화했습니다.

A: Yes. Because the NIS required confidentiality, we minimized the communication channel, the channel for sharing this situation.

문: 국정원에 현지에서 대화를 하고 있다는 내용을 전달했다고 했는데 중국 현지에서 대화하고 있다는 내용을 어떻게 알게 된 것인가요.

Q: You said you conveyed to the NIS that dialogue is happening locally; how did you come to know that dialogue was happening in China locally?

답: 법무팀에서 알려주셨습니다.

A: The Legal team told me.

문: 법무팀 누가 알려줬나요.

Q: Who in the Legal team told you?

답: 그건 기억이 안납니다.

A: I don't remember that.

문: 법무팀 시그널 방에서 이야기가 나왔던 건가요.

Q: Was this discussed in the Legal team's Signal channel?

답: 기억이 안납니다. 그래서 2025. 12. 14. 저녁쯤에 국정원에 중국에서 소통하고 있는 것 같습니다라는 내용을 전달했습니다. 그 이후에 2025. 12. 16. 오전 상황이 발생하게 된 것입니다.

A: I do not recall. So, around the evening of December 14, 2025, I informed the NIS that it appeared communications were taking place in China. Afterward, the situation occurred in the morning of December 16, 2025.

문: 국정원 직원으로부터 생명에 위협을 초래할 수 있다는 얘기를 들었을 정도라면, 진술인 또는 쿠팡 직원에게는 협조 요청을 거부할 충분한 이유가 있었을텐데 거부하지 않은 이유는 무엇인가요.

Q: If you, the declarant, or Coupang employees were informed by NIS personnel that the matter

could pose a risk to life, it would appear that there were sufficient grounds to refuse the request for cooperation. What was the reason you did not refuse?

답: 회사에서도 안전에 대해서 상당히 염려를 했다고 말씀드렸잖아요. 저희는 2025. 12. 2. 공문을 받고 국정원이 여기에 개입되는 취지와 상세한 설명을 들은 이후부터는 국정원의 말을 거절한다는 건 없었습니다. 그냥 따라야한다라는 생각이었고 거절하면 어떻게 하지라는 생각은 전부 다 하지 못했던 것 같습니다. 국정원 직원도 같이 간다고도 했구요. 그냥 인식이 그냥 뇌리에 박혔던 것 같습니다.

A: As I mentioned, the company also had significant concerns regarding safety. After we received the official notice on December 2, 2025, and were provided with an explanation of the purpose and details of the NIS's involvement in this matter, refusing the NIS's requests was not something we considered. We simply felt that we had to comply, and it seems that we were completely unable to even consider what would happen if we refused. The NIS personnel also stated that they would accompany us. I think that perception—that we had to comply— has become firmly fixed in my mind.

문: 국정원의 협조, 지원 요청에 정당한 사유가 있으면 요청에 따르지 않아도 된다는 국가정보원법은 당시에 고려하지 않았나요.

Q: Did you not consider the National Intelligence Service Act at the time, which states that requests for cooperation or support by the NIS do not have to be complied with if there is justifiable cause?

답: 그런 법이 있나요? 아니요 법무팀에서 그 부분까지 다 고려해서 검토를 하지 않으셨을까요? 전문가들이신데.

A: Is there such a law? No, I didn't. Wouldn't the Legal team have considered and reviewed that aspect as well? They are the professionals.

문: 쿠팡에서 직원의 생명 신체에 심각한 위협이 발생할 수 있다는 것을 알고 있음에도 진술인을 중국에 출장시킨 건가요.

Q: Did Coupang send you, the declarant, on a business trip to China even though they knew

serious threats to the employee's life and body could occur?

답: 안 보내고 싶어하셨어요. 정말 걱정을 많이 하셨구요. 그래서 사실 앞전에도 포렌식 업체 얘기 나올때도 업체 통해서 할 수 없는지 국정원에도 여췄습니다. 2025. 12. 16.경 한국에 있는 국정원이 중국에 넘어가는 게 정말 이례적인 매우 위험한 일인데 우리가 너무 걱정하니까 자기들도 간다고 했습니다. 그래서 회사에서도 마지못해 그랬던 것 같습니다.

A: They didn't want to send me. They expressed significant worry. In fact, even earlier, when the issue of engaging a forensic firm arose, we asked the NIS whether the matter could be handled through such a firm instead. Around December 16, 2025, the NIS in Korea stated that it was extremely rare and highly dangerous for Korean intelligence personnel to cross into China, but because of how concerned we were, they said that they would go as well. Under those circumstances, it appears that the company proceeded with the decision reluctantly.

문: 국정원법에 의해 요청에 응하지 않아도 된다는 것을 진술인은 몰랐던 건가요.

Q: Did you not know that, under the NIS Act, you didn't have to comply with the request?

답: 법률 조항에 근거가 있는 건 법무팀에 검토를 받는 것이구요. 기관에서 어떤 것을 집행할 때 정당한 사유가 없으면 예외가 있다는 게 있긴한데 저희가 다른 건에 있어서도 그걸 갖고 물고 늘어지면서 거절했던 사유가 기억나지 않습니다.

A: Matters grounded in specific legal provisions are reviewed by the Legal team. While there are provisions indicating that exceptions may apply if there is no justifiable cause when an institution seeks to carry out a request, I do not recall having refused a request by insisting on such grounds in other matters.

기관에서 협조 요청이 오면 웬만해선 기업 입장에선 거절하지 못하는 거죠.

If a cooperation request comes from an agency, usually from a company's standpoint, we can't refuse.

문: 이러한 사실을 알았다면 목숨이 위험할 정도인데 진술인은 중국 출장 지시를

거부할 수도 있었을 것으로 보이는데 어떤가요.

Q: If you knew these facts, since your life was at risk, it appears you could have refused the instruction for the China business trip. What do you think?

답: 저도 되게 무서웠죠. 어떻게 보면 국정원분들은 신분이 발각되서 저보다 더 위험할 수도 있는데 저는 민간인이라서 상대적으로 문제될 건 없다고 했구요. 그럼에도 불구하고 같이 가겠다고 했기 때문에 저희도 안심이 됐습니다. 그리고 회수 계획에 있어서도 저는 한쿤 로펌 엘리베이터 올라가서 물건 받아서 내려오면 물건을 가져가는 것도 그분들이 해주신다고 했기 때문에 저의 안전을 고려해주셨습니다.

A: I was also very scared. In a way, the NIS people could be in more danger than I am because their identity might be exposed, but they said I would have relatively no problem because I am a civilian. Since they said they would go together nevertheless, we were also relieved. And regarding the retrieval plan too, since they said if I go up the Han Kun Law Offices elevator, receive the items, and come down, they would take the items, they considered my safety.

그리고 중국적으로 회수 물품도 당초에는 제가 들고오는 계획도 있었는데 중국 출입국관리소에서 제지할 수 있었기 때문에 영사관을 통해 외교행낭으로 들어오는 것까지 국정원에서 계획해주셨습니다.

And ultimately regarding the retrieval items, originally there was a plan for me to bring them, but since the Chinese immigration office could stop me, the NIS even planned for them to come in via diplomatic pouch through the consulate.

문: 법에 의해 보호받을 수 있는 진술인의 안전보다 쿠팡 회사의 이해 관계가 우선이라고 생각해서 중국에 갔던 것인가요.

Q: Did you go to China thinking Coupang company's interests were before your safety, which could be protected by law?

답: 아뇨. 저는 국정원이 그정도까지 상세하게 안전한 계획을 수립해주셔서 안심을 했습니다.

A: No. I was reassured because the NIS established a safe plan in detail to that extent.

문: 쿠팡 내 다른 직원이 아니라 진술인이 가게 된 이유는 무엇인가요.

Q: What is the reason you went instead of another employee in Coupang?

답: 제가 국정원과 계속 소통을 했고 에시당초 약속의 전제가 그 어디에도 발설하지 말라고 했습니다. 그래서 자연스럽게 제가 국정원과의 소통 창구 역할을 했고 현지에서도 국정원과 소통해야했고 국정원에서도 저를 요구했구요.

A: I communicated continuously with the NIS, and originally, the premise of the promise was not to disclose it anywhere. So naturally, I played the role of a communication channel with the NIS, and locally I had to communicate with the NIS, and the NIS also requested me.

그리고 국정원에서 저는 민간인이니까 국정원 직원과 접촉만 없으면 문제없을 거라고 했고 오히려 위험한 건 국정원 직원들이라고 했습니다.

And the NIS said since I am a civilian, there would be no problem as long as there is no contact with NIS employees, and that in fact, the NIS employees are the ones at risk.

문: 직접 가지 않더라도 경찰의 정상적으로 진행 중에 있던 국제공조 수사 절차에 따라 현지 피의자 조사, 증거물 확보 등이 이루어졌을텐데 이러한 점을 고려하진 않았나요.

Q: Even if you didn't go directly, local suspect investigation and evidence securing would have been done according to the international cooperation investigation procedures normally proceeding by the police. Did you not consider this point?

답: 제가 따로 이런 부분을 회사와 상의한 건 없구요. 중국에 사법공조를 논의하거나 다른 분들이 어떤 논의를 했는지까진 제가 알지 못합니다. 다만 2025. 12. 2. 국정원을 최초 만난 이후부터 국정원이 개입한 취지, 목적을 설명하셨을 때 골든 타임을 당부하셨습니다. 용의자의 국적이 중국이고 중국 현지에 체류하고 있는 상황이라서 중국 산업 스파이, 중국 정부 사주를 받은 것을 배제할 수 없는 상황에서 골든 타임이 지나면 그런 정보들이 보이지 않는 곳에 넘어갈 수 있는 위험

정도 있기 때문에 골든 타임이 있다는 국정원의 설명에 저도 동의를 했던 것 같습니다. 다른 해킹 사례에서도 사회주의 국가 범죄자들의 신병을 넘겨주는 사례가 잘 없고 다른 사례와 다르게 용의자가 처음에 특정되었기 때문에 이런 것들을 할 수 있는 거라고 말씀해주셨습니다.

A: I didn't discuss this part separately with the company. I do not know if they discussed judicial cooperation in China or what discussions other people had. However, since I met the NIS for the first time on December 2, 2025, when they explained the purport and purpose of NIS intervention, they emphasized the 'golden time'. Since the suspect's nationality is Chinese and he is staying locally in China, in a situation where we cannot exclude the possibility of him being a Chinese industrial spy or being instigated by Chinese government, if the golden time passes, there is a risk that such information could pass to unseen places, so I think I also agreed with the NIS's explanation that there is a golden time. They explained that even in other hacking cases, it is rare for socialist countries to hand over criminal suspects, and that in this case, unlike others, the suspect was identified from the beginning, which is why such actions were possible.

문: 2025. 12. 11. 이후에도 용의자, 용의자 변호사와 대화한 내용은 국정원에 계속 전달한 건가요.

Q: Did you continue to convey the content of the conversation with the suspect and the suspect's lawyer to the NIS even after December 11, 2025?

답: 네. 제가 받은 것은 다 했습니다.

A: Yes. I did everything I received.

문: 2025. 12. 14.경 중국에서 피의자 등과 대화할 당시에는 쿠팡에서 누가 참여했었나요.

Q: Who from Coupang participated when conversing with the suspect etc. in China around December 14, 2025?

답: 저는 모르겠습니다. 당시에는 한쿤 로펌인지도 몰랐고 그냥 현지에서 변호사들끼리 대화를 하고 있다는 내용 정도만 전해들어서 국정원에 전달했습니다.

A: I do not know. At that time, I didn't even know it was Han Kun Law Offices, I was only

informed that lawyers were talking among themselves locally, so I conveyed it to the NIS.

문: 쿠팡에서 줌 미팅에 참여한 사람이 있나요.

Q: Is there anyone from Coupang who participated in the Zoom meeting?

답: 저는 모르겠습니다. 그 당시 국정원에서 계속 특이사항이 있는지 물어볼 때마다 법무팀 시그널 방에 특이사항이 있는지 물어봤고 그때마다 방에 있는 누군가가 답을 해주거나 저에게 전화를 주셨습니다.

A: I do not know. At that time, whenever the NIS kept asking if there was anything unusual, I asked in the Legal team's Signal chatroom if there was anything unusual, and every time someone in the room answered or called me.

문: 2025. 12. 14. 대화한 내용의 결과를 국정원에게 전달했나요.

Q: Did you convey the result of the conversation on December 14, 2025, to the NIS?

답: 결과는 따로 전달 안 했습니다.

A: I did not convey the result separately.

문: 전달 안한 이유가 무엇인가요.

Q: What is the reason you didn't convey it?

답: 그냥 저도 2025. 12. 14.은 대화 중에 있던 상황으로 알고 있었습니다. 그냥 대화가 잘되고 있는 것 같습니다는 식으로 말씀드렸습니다.

A: I also just understood that on December 14, 2025, dialogue was ongoing. I just told them in a way that the dialogue seems to be going well.

이때, 진술인이 핸드폰 달력을 확인하고 답하다.

At this time, the declarant checked the mobile phone calendar and answered.

2025. 12. 14.인지 2025. 12. 15.인지는 모르겠는데 제가 대화에 진전이 있는 것 같다

는 이야기를 했던 것 같기는 합니다.

I don't know if it was December 14 or 15, 2025, but I think I did say that there seems to be progress in the dialogue.

문: 국정원에서 해당 대화 결과가 어떻게 됐는지 계속 물어봤을 것 같은데 이후에도 2025. 12. 14. 대화 결과를 전달하지 않았다는 건가요.

Q: The NIS must have kept asking how the result of that dialogue went, but do you mean you didn't convey the dialogue result of December 14, 2025, even afterward?

답: 계속 대화가 진전이 있다는 내용만 전달했고 2025. 12. 16. 오전경 물건이 인계됐다는 내용을 전달하게 된 것입니다.

A: I only conveyed that the conversation was continuing to progress, and came to convey that the items were handed over around the morning of December 16, 2025.

문: 2025. 12. 13. 피의자가 쿠팡 고객센터에 범행을 사과하고 데이터를 지웠다는 이메일을 발송한 것에 대해 알고 있나요.

Q: Do you know about the suspect sending an email to the Coupang customer center on December 13, 2025, apologizing for the crime and saying he deleted the data?

답: 네. 그 이메일을 고객센터에서 놓쳤다가 2025. 12. 15. 오전에 파악돼서 내부에 보고되고 나서 그걸 국정원에 보냈습니다. 해당 내용이 경찰에도 보고된 것으로 알고 있고 국정원에서 EML 원본을 보내달라고 해서 메일로 보내줬습니다.

A: Yes. The customer center missed that email, and it was identified in the morning of December 15, 2025, reported internally, and then I sent it to the NIS. I understand that the content was reported to the police as well, and the NIS asked to send the EML original, so I sent it by email.

문: 해당 메일은 쿠팡에서 피의자를 접촉하고 난 이후에 발송된 것으로, 쿠팡 측에서 피의자와 모종의 계약에 의해 인위적으로 작성되어 발송된 이메일은 아닌가요.

Q: That email was sent after Coupang contacted the suspect. Wasn't the email artificially written and sent based on some agreement between Coupang and the suspect?

답: 저는 잘 모르겠습니다. 근데 자기가 해커라고 표방했지만 해커를 사칭한 사람이 보낸 메일인지 아닌지 저희가 진위 여부 확인이 불가능하잖아요. 그래서 국정원에서도 해커가 보낸 거라고 확신할 수 있다고 물어보길래 확신할 수 없다고 얘기했습니다. 그래서 EML 원본을 보낸거예요. 그랬더니 IP가 다르다고 말씀해주셨던 게 기억납니다.

A: I do not know well. But although he claimed to be the hacker, it is impossible for us to verify if it is an email sent by someone impersonating the hacker or not. So the NIS also asked if we could be sure it was sent by the hacker, and I said we cannot be sure. That's why I sent the EML original. Then I remember they told me the IP is different.

문: 해당 이메일에 대해 피의자가 자신이 발송한 것이 맞다고 답하였나요.

Q: Did the suspect answer that it is correct that he sent that email?

답: 저는 용의자와 대화하거나 용의자의 진술서를 본 적이 없어서 모르겠습니다.

A: I do not know because I have never conversed with the suspect or seen the suspect's written statement.

문: 중국 상해로 출국 시 항공권은 언제, 누가 구매하였나요.

Q: When and who purchased the flight ticket when you left for Shanghai, China?

답: 회사 총무팀 출장 담당 부서에서 제 항공편만 구매해주셨습니다.

A: The business trip department of the company's general affairs team purchased only my flight.

문: 중국 상해에서 한국으로 입국시 항공권은 언제, 누가 구매하였나요.

Q: When and who purchased the flight ticket when you entered Korea from Shanghai, China?

답: 회사 총무팀 출장 담당 부서에서 같이 끊어주셨습니다. 왕복으로 끊지 않으면

중국에 못간다고 해서 왕복으로 끊었습니다.

A: The business trip department of the company's general affairs team booked it together. They said I couldn't go to China without a round-trip ticket, so a round-trip ticket was booked.

문: 중국에는 혼자 다녀온 것인가요.

Q: Did you go to China alone?

답: 네, 저 혼자 다녀왔습니다.

A: Yes. I went alone.

문: 진술인은 영어 및 중국어 회화가 가능한가요.

Q: Can you speak English and Chinese?

답: 아뇨.

A: No.

문: 외국어 회화 능력 없이 혼자 중국 상해에 방문하여 피의자 및 한쿤 법률사무소, EY 컨설팅 소속 중국인 등과 대면한 것인가요.

Q: Did you visit Shanghai, China alone without foreign language speaking ability and face the suspect and Chinese people belonging to Han Kun Law Offices, EY Consulting, etc.?

답: 네.

A: Yes.

문: 진술인은 2025. 12. 17. 이전, 또는 2025. 12. 19. 이후에 중국에 간 적은 없나요.

Q: Have you ever been to China before December 17, 2025, or after December 19, 2025?

답: 없습니다.

A: No, I haven't.

문: 진술인의 출입국 조회 시 2025. 12. 17. 중국동방항공 항공편으로 상해 푸둥공

항으로 도착했는데요. 공항 도착 후 어디로 이동했나요.

Q: According to your immigration records, you arrived at Shanghai Pudong Airport via China Eastern Airlines on December 17, 2025. Where did you move after arriving at the airport?

답: 택시타고 바로 한쿤 법률사무소로 이동했습니다.

A: I took a taxi and moved directly to Han Kun Law Offices.

문: 도착 후 어디에서 누구를 만났나요.

Q: After arrival, whom did you meet and where?

답: 바로 한쿤 법률사무소에 도착해서 한쿤 변호사에게 전화했더니 1층에 내려왔고 같이 엘리베이터를 타고 몇층인지는 기억나지 않는데 고층에 올라가서 회의실에 들어갔습니다. 회의실에 EY 직원 2명 정도와 한쿤 변호사 같은 분들 2~3분 정도 있었고 줌 미팅하고 있는 화면이 켜져 있었습니다. 회의실에서 EY 직원으로 보이는 분들이 데스크탑 본체와 하드디스크를 보여줬고 제가 가져온 트렁크에 담아줬습니다. 서류에 서명하라고 한 것도 있어서 서명했습니다.

A: I arrived directly at Han Kun Law Offices and called the Han Kun lawyer, who came down to the 1st floor. We took the elevator together, I don't remember which floor, but we went up to a high floor and entered a conference room. In the conference room, there were about 2 EY employees and about 2-3 people who appeared to be Han Kun lawyers, and a screen showing a Zoom meeting was turned on. In the conference room, people appearing to be EY employees showed me the desktop main unit and hard disks and put them into the trunk I brought. There was also something they told me to sign, so I signed it.

문: 데스크탑 본체와 하드디스크를 직접 봤나요.

Q: Did you see the desktop main unit and hard disks yourself?

답: 네. 한쿤 변호사들이 저한테 건드리지 말라고 해서 직접 건드리진 않았습니다. 뽁뽁이 같은 완충제가 있는 포장 같은 거에 포장되어 있었습니다.

A: Yes. The Han Kun lawyers told me not to touch them, so I didn't touch them directly. They

were packed in something like packaging with cushioning material like bubble wrap.

문: 한쿤 법률사무소 사무실에서 피의자를 보진 못했나요.

Q: Did you not see the suspect at the office of Han Kun Law Offices?

답: 그날은 제가 못 봤습니다.

A: I didn't see him that day.

문: 트렁크에 물건을 담은 이후 내용을 진술해보세요.

Q: State what happened after the items were put in the trunk.

답: 사내 법무팀에서 당부가 있었는데 국정원 직원과 누구도 접촉하지 말도록 했습니다. 그래서 바로 1층으로 내려와서 거기가 백화점이 같이 있어서 로비가 크고 회전문이 여러 개 있는데 국정원 직원이 있는 회전문에 들어가서 제가 갖고 있던 본체가 들어 있던 보따리 같은 가방과 디스크가 들어있는 트렁크를 전달하고 저는 다시 건물 안으로 들어왔습니다.

A: There was a request from the in-house Legal team to ensure no one came into contact with the NIS employee. So I came down to the 1st floor immediately, and since there was also a department store there, the lobby was large and had several revolving doors. I entered the revolving door where the NIS employee was, handed over the bundle-like bag containing the main unit and the trunk containing the disks that I had, and I came back into the building.

문: 그렇게 전달한 이후에는 어디로 이동했나요.

Q: Where did you move after delivering them like that?

답: 그때 국정원의 당부가 택시를 바로 타고 숙소로 가라고 했습니다. 근데 제가 택시가 잘 안잡히더라구요. 그런데 제가 말을 못하니까 건물 1층에 헬프데스크 아가씨에게 번역기로 택시를 잡아달라고 해서 그분이 택시를 불러줘서 그걸 타고 숙소로 갔습니다. 그 이후에 국정원이 안전하게 잘 도착했다고 알려줬습니다.

A: At that time, the NIS's request was to take a taxi immediately and go to the accommodation.

But I couldn't get a taxi easily. But since I couldn't speak [the language], I asked the help desk lady on the 1st floor of the building to catch a taxi using a translator, and she called a taxi for me, so I took that and went to the accommodation. After that, the NIS informed me that they arrived safely and well.

문: 진술인이 상해에서 만난 한쿤 법률사무소, EY 컨설팅 소속 직원 등 만난 사람의 이름, 인적사항을 진술하세요.

Q: State the names and personal information of the people you met in Shanghai, such as employees of Han Kun Law Offices and EY Consulting.

[REDACTED]

A: I don't know EY at all, and if you ask the Legal team, they will tell you. [REDACTED] told me that when I arrive, I just need to contact a female lawyer named [REDACTED] at Han Kun Law Offices and gave me her contact, so I only know that. The people from Han Kun Law Offices did introduce themselves in the conference room, but I don't remember.

문: 기기를 전달한 국정원 직원은 누구인가요.

Q: Who is the NIS employee to whom you delivered the device?

[REDACTED]

A: It is Investigator [REDACTED]

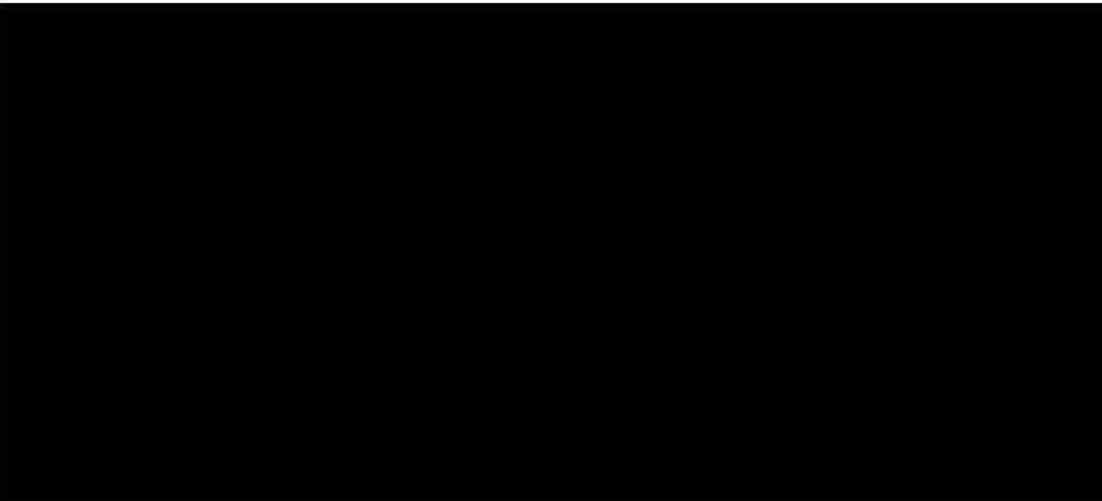
문: 2025. 12. 17. 이후에는 어떻게 됐나요.

Q: What happened after December 17, 2025?

답: 국정원에서 숙소에 도착한 후에 나오지 말라고 했습니다. 용의자 서단이 가짜 기기를 줄 수도 있으니 현장에서 확인해봐야 한다는 전제 속에서 국정원과 저희



A: The NIS told me not to come out after arriving at the accommodation. Under the premise that suspect  might give a fake device and so the items must be checked on site, the topic of forensic firms continued to be brought up between the NIS and our side. We have to bring it to Korea and submit it to the police, but we can't submit a fake device. We need to verify that while we're still in China so that we can ask the suspect to hand over the device again.



Ah, and there is something I didn't mention. When I met the NIS employees around lunch on December 16, 2025, Vice President  had previously informed me that the devices used for the crime were a laptop and a desktop, and the desktop was there but the laptop was thrown into the river, so I conveyed that content to them. Then the NIS said we must absolutely retrieve the laptop, and even if we fail to retrieve it in the end, we must make efforts to retrieve it and record the evidence of those efforts meticulously for the Korean government, including the police, to acknowledge them. They also told us that in a murder case, even if the perpetrator threw away the murder weapon — the knife — and confessed, the case cannot be closed unless the knife is found. So they told us to find divers who can search in the river and try even floating a boat.

문: 2025. 12. 18. 이후 진술해보세요.

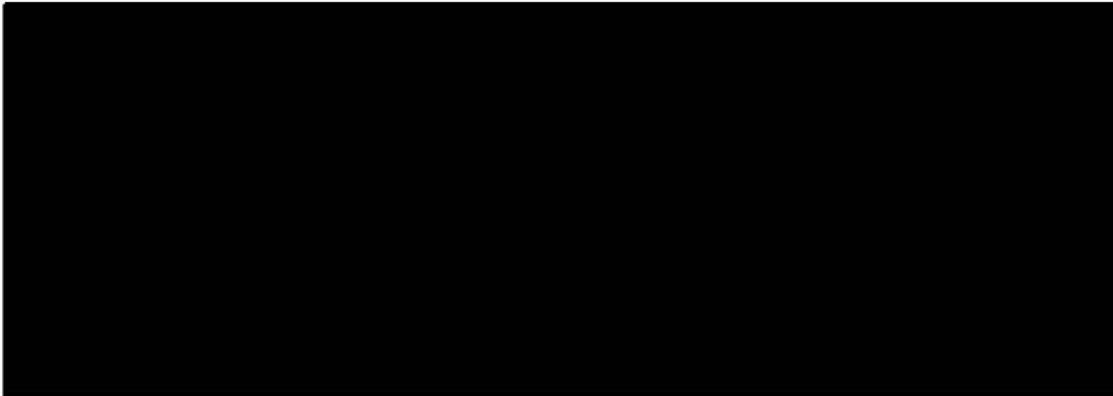
Q: State what happened after December 18, 2025.

답: 아침 일찍부터 국정원분들이 저의 안전을 위해 제 숙소 인근에 잡으셨습니다. 첫날에는 저와 접촉하진 않았고 아침에 조식을 먹을 때 상부에서 푸쉬가 있다는 말씀을 하시면서 강물에 빠진 주소를 알려달라. 민간 잠수부 계획이 있는지 확인해서 알려달라고 했습니다. 그걸 빨리해야 된다고 계속 재촉을 하였고 본인이 가야한다며 일단 주소를 알려달라고 했습니다. 그래서 주소를 전달하고 현지시간 2025. 12. 18. 정오쯤에 회사에서 주소를 알려주면서 민간 잠수사가 수색 작업을 할건데 국정원은 근방에 안갔으면 좋겠다라고 당부를 했습니다. 민간 잠수사가 13시쯤 수색할 건데 조용히 수색해서 인양할 수 있었으면 좋겠다는 내용을 국정원에 설명을 드렸습니다.

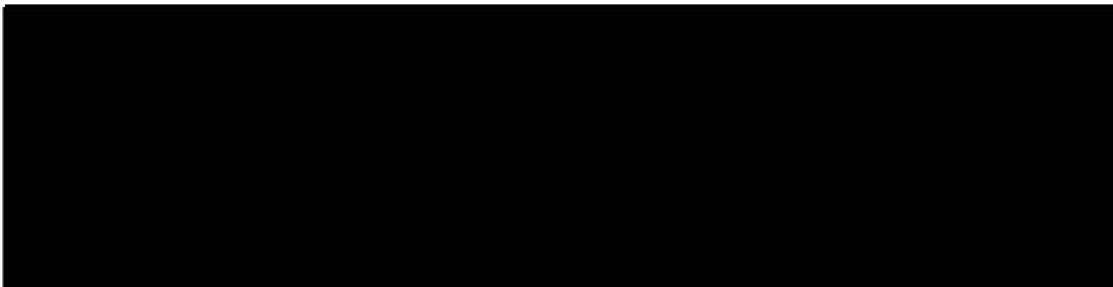
A: From early morning, the NIS people stayed near my accommodation for my safety. On the first day, they didn't contact me, but when having breakfast in the morning, they said there was a push from the upper level and asked me to give the address where it fell into the river. They asked me to check if there is a plan for private divers and let them know. They kept rushing that we have to do it quickly, and asked for the address first, saying they had to go themselves. So I conveyed the address, and around noon local time on December 18, 2025, while giving the address, the company said that private divers would do the search operation, and they asked me to tell the NIS not to go near there. I explained to the NIS that private divers would search around 13:00, and we hoped a search and salvage could be conducted quietly.

I thought it was a huge river, but it was a very small river. Around 13:00, I went with NIS employees to a place a few kilometers away from the river location where the laptop was said to be thrown, and while I said that the river is narrower than expected and if it sank with bricks, it could be retrieved, a call came from Vice President [REDACTED] via Signal voice call, saying

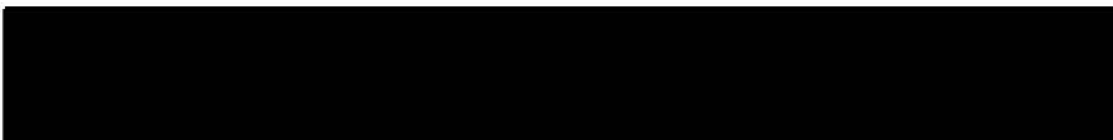
they retrieved it.



So the NIS people were surprised and reported internally, and I asked how to receive the item, they said they would give a separate instruction and told me to wait. There was talk about whether EY would give this item or Han Kun Law Offices would give it, so I was waiting. Then either [REDACTED] or Vice President [REDACTED] told me to ask whether it would be acceptable to perform a forensic examination on the laptop as well. So I asked the NIS, and they said that the laptop should only be dried because it had been exposed to water and could be completely damaged if the power was turned on incorrectly.



After that, the NIS told me to get an additional written statement from [REDACTED] confirming if this device is his, so I conveyed it internally. And they said there are a few statements but only Word printouts, which the police cannot use as evidence, and added that since there would be fingerprint information at the immigration office when [REDACTED] came to Korea, we must get [REDACTED] fingerprints, so I conveyed that content internally.



It seems [REDACTED] and his lawyer were not cooperative. So I was informed that they would try, and reported that to the NIS.

[REDACTED]

Afterward, [REDACTED] contacted me, saying [REDACTED] refuses and the lawyer says he doesn't have time, and asking if we can do it tomorrow, etc., so I conveyed it to the NIS side. While they said they would try more, Investigator [REDACTED] and I took a car and moved to [REDACTED] Law Offices.

[REDACTED]

Afterwards, past 17:00, we had a Zoom meeting with [REDACTED] and Vice President [REDACTED]. [REDACTED] asked why we have to take fingerprints, so I told him what the NIS said - to use it as evidence, we must take the thumb fingerprint, and also there should be stamping between pages - and received an answer that they understood. Afterwards, [REDACTED] said the suspect hasn't agreed yet, but asked me to ask the NIS to bring the documents at the embassy to [REDACTED] first, so I conveyed it and the NIS answered okay.

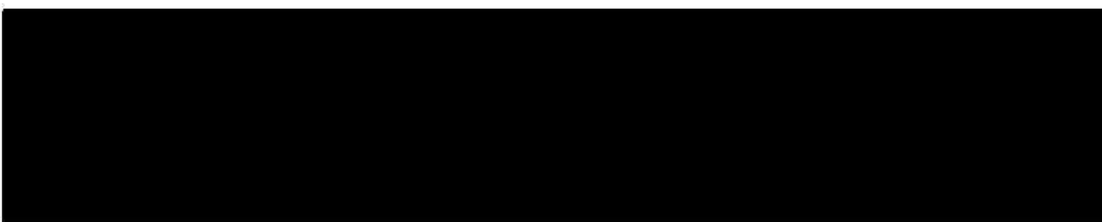
[REDACTED]

Since the seal culture has disappeared in China unlike Korea, they asked to bring the ink pad

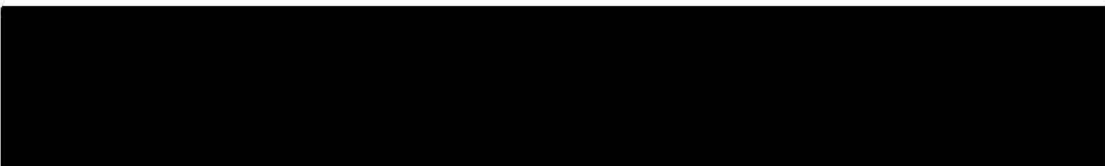
from the embassy too, so they arrived late. I was waiting outside the building, received the documents handed by the NIS, called [REDACTED] of Han Kun from the lobby, and an employee came down and so we went up together. I think it was past 18:00 local time then.

작은 회의실로 안내해서 들어갔더니 기다려달라고 했고 좀 지나니까 오라고 해서 전날 갔던 큰 회의실에 들어갔더니 어제 본 EY 직원들이 있고 마대자루 같은 게 테이블에 올라와있었고 줌 미팅 화면이 켜져있었습니다. 제가 가니까 마대자루를 풀어서 쿠팡 에코백이 나오고 쿠팡 에코백을 보니까 노트북이 있고 빨간 벽돌이 3개 있었어요. 확인하고 다시 그걸 묶고나서 서류에 서명하라고 해서 서명했습니다. 이후에 또 작은 회의실로 나가 있으라고 해서 나가 있었고 한참 뒤에 20시에 다시 오라고 해서 갔더니 용의자가 문서를 읽고 있는 모습을 봤습니다. 제가 찍은 사진이 제출된 것 같습니다.

They guided me to a small conference room, so I went in and they told me to wait. After a while, they told me to come, so I entered the large conference room I went to the previous day. The EY employees I saw yesterday were there, something like a gunny sack was on the table, and the Zoom meeting screen was on. When I went, they untied the gunny sack and a Coupang eco-bag came out, and looking into the Coupang eco-bag, there was a laptop and 3 red bricks. I checked, tied it again, and signed the document because they told me to. Afterwards, they told me to go out to the small conference room again, so I went out. A long time later, they told me to come again at 20:00, so I went and saw the suspect reading a document. I think the photo I took was submitted.



The NIS said a photo with a mask on is not enough and told me to take a video, but I kept saying that would be difficult. Several written statements were spread out there, and [REDACTED] intentionally didn't stamp properly and stamped lightly, so they told him to stamp again, so he stamped several times. After all the fingerprints were stamped, I came out.



At that time, since they said this photo alone wasn't enough, I was filming and got caught, so I received complaints from [REDACTED] and his lawyer. They looked at the photos in my mobile phone gallery directly and deleted them, and ultimately, only 1 photo that was submitted remained.

문: 피의자를 직접 본 건 이때가 처음인가요.

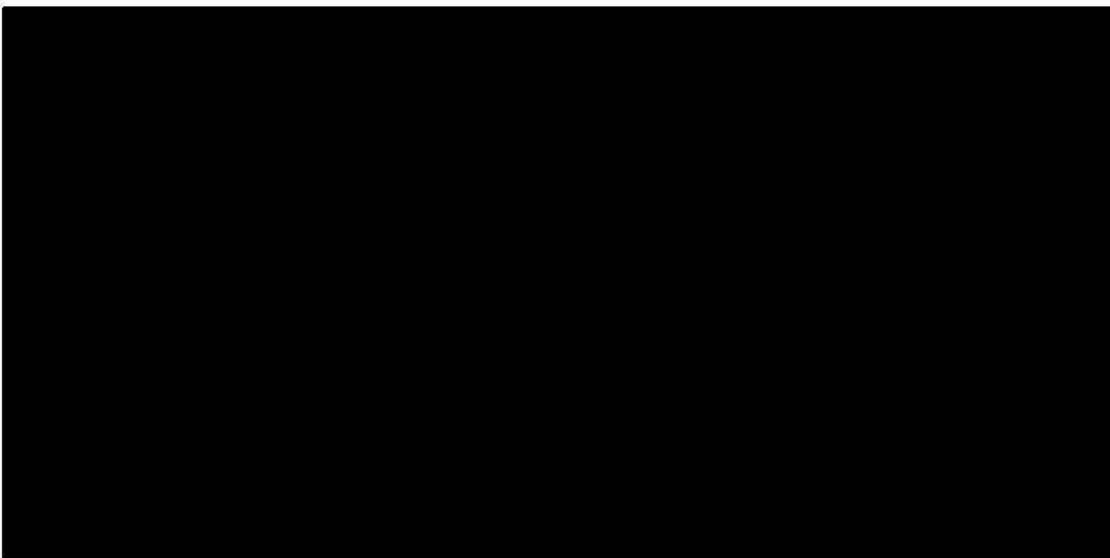
Q: Was this the first time you saw the suspect in person?

답: 네. 처음입니다.

A: Yes. It is the first time.

문: 이후에는 어떻게 됐나요.

Q: What happened afterwards?



A: I was waiting in the small conference room again, and they told me to come out, so I went, but [REDACTED] was gone. They had packed the documents he stamped, and said I just need to take

that, so I brought it out... I want to state additionally that at that time, the NIS requested in real-time to check if the seal was stamped properly. An employee asked for the suspect's consent, asking if they could take photos of the documents bearing fingerprints and send them because confirmation is needed, and the suspect agreed, so they took photos and sent them to the NIS via Signal, but [REDACTED]'s lawyer, who was participating in Zoom, complained a lot. So I deleted all the photos I took. At that time, I couldn't think of refusing, and I was reprimanded by [REDACTED] from the company too. I explained to [REDACTED] that I did it because I thought if the stamp was stamped wrongly and we returned to Korea, it would cause problems.

제가 노트북을 전달한 이후에 국정원 직원들이 대사관에서 헤어드라이기로 노트북을 계속 말리기만 했었다고 전달받았습니다.

After I handed over the laptop, I was informed that the NIS staff only kept drying it with a hair dryer at the embassy.

문: 그 당시 진술서 외에 노트북도 전달받았나요.

Q: Did you receive the laptop as well besides the statement at that time?



A: Yes. A long time after the suspect left, they told me to come into the large conference room, and then they put the thing packed in a rice sack into a Han Kun eco-bag, and put it as is into the backpack that the NIS brought when they brought the documents. So I took the backpack and eco-bag, came down to the 1st floor, handed them over to Investigator [REDACTED] in the same way as the previous day, and went to the accommodation in the car called by the NIS.

문: 중국 상해에서 만난 국정원 직원들은 몇 명이고 누구인가요.

Q: How many NIS employees did you meet in Shanghai, China, and who were they?



A: Three people: Director [REDACTED] Investigator [REDACTED] and the person I stated I don't know the name of. Around December 19, 2025, I talked with Director [REDACTED] and Investigator [REDACTED] and they said one more NIS team came from Korea. Someone higher up within the NIS said that the police might not accept the evidence and suggested summoning [REDACTED] to the consulate to take a lie-detector test. They told me to check with the company, but the NIS staff who were with me also said that this made no sense at all, so I did not report it internally. The reason I am explaining everything in such detail is that I wanted you to understand that neither the NIS nor I were attempting to fabricate evidence or that the claims made by some were untrue. As for copying as well, it came out in the process of discussing what to do if a fake device were submitted; it was not that we had intended to conduct a prior analysis.



Q: Do you know anything about the process of suspect [REDACTED] writing the 1st written statement at Han Kun Law Offices around December 14, 2025?

답: 없습니다.

A: No, I don't.

문: 2025. 12. 17. 작성된 피의자의 2차 진술서 내용을 보면, '2025. 12. 14, 본인은 회사의 내부조사에 전적으로 협력할 것을 약속하는 협력 계약을 체결하였습니다. 협력 계약에 따라 본인의 의무를 이행하기 위하여 본 진술서를 작성하였습니다.' 라고 기재되어 있는데요.

Q: According to the suspect's second statement dated December 17, 2025, it is written that, 'On December 14, 2025, I entered into a cooperation agreement in which I committed to fully cooperate with the company's internal investigation. I prepared this statement in order to fulfill my obligations under the cooperation agreement.'

2025. 12. 14. 쿠팡과 피의자 간의 별도의 계약서가 작성되었나요.

Was a separate contract entered into between Coupang and the suspect on December 14, 2025?

답: 저는 전혀 모릅니다.

A: I have no knowledge of it.

문: 쿠팡과 피의자간 2025. 12. 14. 작성한 계약서를 수사기관에 제출할 의향이있나요.

Q: Are you willing to submit, to the investigation agency, the contract signed between Coupang and the suspect on December 14, 2025?


At this time, Attorney  answered.

답: 회사에 요청해서 드리겠습니다.

A: We will request the company and give it to you.

문: 한쿤 법률사무소의 중국 현지 변호사를 쿠팡 한국 본사에서 대리인으로 선임한 것인가요.

Q: Did Coupang Korea headquarters appoint the local Chinese lawyer of Han Kun Law Offices as the counsel?

답: 전혀 모릅니다.

A: I don't know at all.

문: 한쿤 법률사무소는 기존에 쿠팡 측과 계약을 맺고 있던 곳이었나요.

Q: Had Han Kun Law Offices already been in a contractual relationship with Coupang?

답: 전혀 모릅니다.

A: I don't know at all.

문: 쿠팡 측에서 경찰에 제출한 한쿤 법률사무소 내 사진, 영상 중 2025. 12. 14.경 촬영된 것은 없던데요. 제출하지 못하는 특별한 사정이 있나요.

Q: Among the photos and videos taken inside Han Kun Law Offices and submitted to the police by Coupang, there was none taken in or around December 14, 2025. Is there any special reason you cannot submit it?

답: 저는 아는 게 없습니다. 제가 중국에 가지 않았던 때의 내용은 모릅니다.

A: I have no idea. I don't know what happened when I was not in China.

문: 형사사건의 증거물, 증거관계에 대해 검증도 할 수 없는 사기업에서 자체적으로 피의자를 접촉하여 진술서 등을 받는 행위가 적절하다고 생각했나요.

Q: Did you find it appropriate for a private company, which cannot verify evidence or evidentiary nexus of a criminal case, to contact the suspect independently and obtain statements, etc.?

답: 초기에 국정원이 저희에게 연락왔었을 때 공문을 보내기 전까지 저희가 주저하고 걱정하고 염려했던 부분이 그 부분으로 알고 있습니다. 어쨌든 국정원이 공문을 보내주셨고 그 분들이 정부기관이잖아요. 그들이 활동할 수 있는 여기에 개입할 수 있는 근거를 저희에게 제시를 해주셨고 거기에 따라야하는 의무가 있던 상황에서 국정원에서 경찰에 설득하고 소통하겠다고 하셨습니다. 어떤 때는 국정

원 상부와 경찰의 상부에서는 교감이 있는 걸로 안다고 말씀해주셨기 때문에 저는 그 말을 믿었습니다. 회사에 국정원에서 전달받은 내용은 빠짐없이 전달했기 때문에 그렇게 이해했을 겁니다.

A: I understand that was the part we hesitated and were worried and concerned about when the NIS first contacted us before sending an official letter. Anyway, the NIS sent an official letter and they are a government agency. They provided us with the grounds for operating and intervening here, and in a situation where we had an obligation to comply, the NIS said they would persuade and communicate with the police. Sometimes they told that they understand there is rapport between the upper levels of the NIS and the police, so I believed those words. Since I conveyed the details shared by the NIS to the company without omission, we probably understood it that way.

[REDACTED]

Q: Can you submit the Signal group chat conversations in which you, [REDACTED] and [REDACTED] participated?

답: 아니요. 그런 대화방들이 지워지는 설정 같은 게 있었습니다.

A: No. There was a setting where such chat rooms get deleted.

문: 설정이 어떻게 되어 있었나요.

Q: How was the setting configured?

이때, 진술인이 자신의 휴대폰을 확인하고 답하다.

At this time, the declarant checked his mobile phone and answered.

답: 제가 방을 나간 건 아닌데 8시간이 지나면 삭제되도록 설정되어 있습니다. 설정한 것도 아닙니다.

A: It's not that I left the room, but it is set to be deleted after 8 hours pass. I didn't set it that way either.

문: 대화가 삭제되더라도 통화 기록은 남아있지 않나요.

Q: Even if the conversation is deleted, doesn't the call log remain?

답: 통화 목록은 남아있습니다.

A: The call list remains.

문: 통화 목록이라도 임의제출 할 의사가 있나요.

Q: Are you willing to voluntarily submit at least the call list?

답: 요청하시는 건 변호사님께 물어보고 제출하겠습니다.

A: As for what you request, I will ask the lawyer and then submit it.



Q: Looking at the chain of custody document (hereinafter, the “**EY Document**”) written by EY Consulting in China and submitted by Coupang, it states that the suspect, [REDACTED] handed over 4 hard drives (HDDs) to a person named [REDACTED] at or around 16:00 on December 15, 2025. Do you know about this?

답: 없습니다.

A: No, I don't.



Q: Who is [REDACTED]

답: 모릅니다. 저에게 기기를 전달해준 분이라면 그때 왔던 EY 직원들 중에 한 분인 것 같습니다.

A: I don't know. If it's the person who delivered the device to me, it seems to be one of the EY

employees who came then.

문: EY 컨설팅에서 위와 같은 EY 문서를 작성하게 된 경위가 무엇인가요.

Q: What are the circumstances under which EY Consulting came to write the EY Document?

답: 없습니다. 제가 서명한 부분에 대한 것만 알고 그 외에 것은 잘 모릅니다.

A: I don't know. I only know about the part I signed and I don't know well about anything else.

문: 진술인은 'CHAIN OF CUSTODY'라는 것을 알고 있나요.

Q: Do you know what "Chain of Custody" is?

답: 인터넷에서 찾아봤는데 증거 인계 과정을 신뢰성을 담보하는 문서라고 되어 있더라고요.

A: I searched on the internet and it said it's a document guaranteeing the reliability of the evidence handover process.

문: 언제 찾아보신 건가요.

Q: When did you look it up?

답: 제가 문서에 서명하고 나서 거기에 그 단어가 있길래 검색해봤습니다. 거기에서 제가 무슨 문서에 서명해야 된다는 걸 전혀 몰랐던 상황이었습니다.

A: After I signed the document, that word was there, so I searched it. I was in a situation where I didn't know at all what document I had to sign.

문: 진술인은 IT 전공자 또는 전문가인가요.

Q: Are you an IT major or expert?

답: 전혀 아닙니다.

A: Not at all.

문: 위와 같이 피의자가 2025. 12. 15.경 EY컨설팅에 HDD를 제출한 경위는 무엇인

가요.

Q: What are the circumstances under which the suspect submitted the HDDs to EY Consulting around December 15, 2025 as mentioned above?

답: 전혀 모릅니다.

A: I don't know at all.

문: 피의자가 제출한 HDD가 범행에 사용되었다는 것을 본인이 진술하던가요.

Q: Did the suspect state himself that the HDDs he submitted had been used for the crime?

답: 저는 그런 내용은 전혀 모릅니다.

A: I don't know about such things at all.

문: 실제로 피의자 제출한 HDD가 범행에 사용되었다는 것을 확증하고 제출받은 것인가요.

Q: Did you receive the HDDs after confirming that the HDDs submitted by the suspect had been actually used for the crime?

답: 제 앞에서 그런 말이나 설명을 하진 않았습시다. 그때 가짜일 가능성이 있을 수도 있어서 국정원에서 2025. 12. 17경 확인을 해보셨을 거잖아요. 그래서 국정원에서 애가 엉뚱한 걸 준 건 아닌 것 같다는 말씀을 해주셨어요.

A: He didn't make such remarks or provide explanation in front of me. Since there was a possibility it might be fake, the NIS must have checked around December 17, 2025. So the NIS told that it didn't seem like he gave something irrelevant.

문: 2025. 12. 18. 인양하는 업체 섭외는 누가 했나요.

Q: Who hired the salvage company that engaged in the salvation operation on December 18, 2025?

답: 아마 US리걸에서 했을 것 같습니다.

A: I think probably US Legal did it.

문: 그렇게 생각하는 이유가 무엇인가요.

Q: What is the reason you think so?

[REDACTED]

A: That is because, in the situation where the NIS kept asking to inform them quickly of the salvage plan, etc. in the morning of December 18, 2025, [REDACTED] said to wait a bit, saying that he asked [REDACTED] and was waiting for an answer.

문: 진술인은 인양 작업에 옆에서 참관하고 있지 않았던 건가요.

Q: Didn't you observe the salvage operation from the side?

답: 전혀 아니었습니다.

A: Not at all.

[REDACTED]

Q: Do you mean you saw the laptop for the first time when you went to Han Kun Law Offices after hearing from Vice President [REDACTED] that it had been salvaged?

답: 네.

A: Yes.

문: 구광에서 경찰에 제출한 2025. 12. 17. ~ 12. 18. 촬영 사진, 동영상 내용을 보면, 증거물에 관해서는 아이폰으로 직접 촬영하였고 피의자의 모습이 편집된 사진의 경우 'HanKun' 한쿤 법률사무소의 CCTV 또는 원격 화상회의 장면이 촬영된 영상을 캡처한 것으로 보이는데요.

Q: Looking at the photos and videos taken on December 17 to 18, 2025 and submitted by

Coupan to the police, it appears evidentiary materials were photographed directly with an iPhone and the photos where the suspect's appearance is edited appear to be the captures of CCTV or remote video conference footages at "Han Kun" Law Offices.

답: 저는 갤럭시를 사용하고 있고 용의자가 마스크를 쓰고 서류를 읽고 있는 장면 외에는 모릅니다.

A: I'm using a Galaxy phone and I don't know anything other than the scene where the suspect is wearing a mask and reading documents.

문: 현지 줌 미팅은 진술인이 중국 상해에 체류하는 동안 한쿤 법률사무소에서 매일 개최된 회의인가요.

Q: Was the local Zoom meeting a meeting held every day at Han Kun Law Offices while you stayed in Shanghai, China?

답: 저는 모릅니다.

A: I do not know.

문: 앞서 보여준 한쿤 법률사무소에서의 줌 미팅 장면 동영상은 진술인이 촬영한 것인가요.

Q: Was the video of the Zoom meeting at Han Kun Law Offices, shown earlier, taken by you?

답: 네. 이걸 제가 찍었습니다. 국정원의 강한 요청이 있었가지구요.

A: Yes. I took this. Because there was a strong request from the NIS.

Q: What is the reason [REDACTED] from US Legal participated, via Zoom meeting, in the local investigation involving the suspect on December 18, 2025?

[REDACTED]

A: I don't know the reason specifically, but he was there when I entered. [REDACTED] lawyer was also in the Zoom meeting.

문: 줌 미팅 현장에 영어 통역사가 있어서 진술인이 해당 회의 내용을 듣고 있었던 건가요.

Q: Was there an English interpreter at the Zoom meeting, so you were listening to the meeting?

답: 제가 들어갔을 때는 회의를 하진 않았습니다. 저는 회의실에 들어가서 물건 확인하고 서류에 서명하고 물건 가져오는 일만 했습니다.

A: When I entered, they were not holding a meeting. I entered the conference room and only checked the items, signed documents, and brought the items.

문: 진술인은 US리걸 측에서도 업무지시를 받은 것인가요.

Q: Did you receive instructions from US Legal as well?

[REDACTED]

A: I don't know how to express this, but I acted as instructed in the Legal team's Signal chatroom. When I went to China, around December 17, 2025, if [REDACTED] told, I checked with the NIS, and the next day, if [REDACTED] spoke to me, I conveyed that content to the NIS and checked.

문: 중국 출장과 관련해서 연락했던 회사 사람들을 모두 진술해보세요.

Q: Please state all the company people you contacted regarding the China business trip.

[REDACTED]

A: It's [REDACTED] and [REDACTED] and [REDACTED] was only in the

Signal chatroom and didn't say a word.

문: 진술인은 미국 coupang Inc. 소속 직원이나 미국 coupang Inc. 대표 김범석과 이 사건 관련하여 통화나 시그널 등 메신저 대화를 직접 한 사실이 있나요.

Q: Have you ever directly exchanged calls or messenger conversations via Signal, etc. regarding this case with any employees belonging to Coupang Inc. of the U.S. or its representative, Kim, Bom-suk?

답: 없습니다.

A: No.

문: 평소에도 김범석과 대화를 주고받을 정도의 관계는 아니었나요.

Q: Were you not in a relationship to exchange conversations with Kim, Bom-suk usually?

답: 네, 실물도 뵈 적이 없습니다.

A: No. I have never even seen him in person.

Q: Did [REDACTED] of US Legal participate in the Zoom meeting to report to or obtain approval from Coupang Inc. of the U.S.?

답: 그런것도 전혀 모릅니다.

A: I don't know such thing at all either.

문: 진술인은 평소 업무 시 미국 coupang Inc.로부터 직접적인 업무 지시를 받은 적이 있나요.

Q: Have you ever received any instructions directly from Coupang Inc. of the U.S. in the course of business?

답: 소통할 일이 전혀 없습니다.

A: There is no occasion to communicate at all.

이때, 진술인의 요청으로 21:05 ~ 21:20 사이 휴식하다.

At this time, the interview was recessed between 21:05 and 21:20 upon the declarant's request.

문: 관련 법령에 따라 8시간 이상 조사를 제한하고 있는데 금일 조사는 이것으로 종료하고 다음에 이어서 하는 것을 희망하나요.

Q: According to relevant laws, interviews are restricted from being held longer than 8 hours. Do you wish to end today's interview here and continue next time?

답: 아니요. 오늘하고 가겠습니다.

A: No. I will do it today.

문: 진술인이 속한 쿠팡(주) 외 다른 법인으로부터 업무 지시를 받을 경우, 이행 관계에 있어서 상사에게 보고, 승낙을 받아 업무를 처리하고 있지 않았나요.

Q: When receiving work instructions from other corporations besides Coupang Corp. to which you belong, didn't you handle work by reporting to and receiving approval from a superior in terms of implementation?

답: 그럴 때도 있구요. 그 다음에 제 선에서 할 수 있는 건 제가 업무를 처리하기도 합니다.

A: That's the case sometimes. And, for things I can do on my own, I handle the work.

문: 진술인은 현지에서 줌 미팅에 참여한 적 있나요.

Q: Have you participated in a Zoom meeting locally?



A: Around December 18, 2025, when asking the NIS to bring documents, I had a Zoom meeting with [REDACTED] and Vice President, [REDACTED] and other than that, I didn't participate in Zoom meetings with the suspect.

문: 진술인이 회사에 보고한 내용이 기록된 문서, 메시지, 이메일 등이 있나요.

Q: Are there any documents, messages, emails, etc. recording the content you reported to the company?

답: 아니요. 없습니다.

A: No. There's none.

문: 진술인은 중국 상해 출장 시 스마트폰, 노트북 등 어떤 기기를 소지하였나요.

Q: What devices did you possess such as a smartphone, laptop when traveling to Shanghai, China?

답: 스마트폰 갤럭시 S25, 쿠팡에서 지급해준 업무용 노트북 들고 갔던 것 같습니다. 노트북은 숙소에 놔두고 쓴 적이 없습니다.

A: I think I took a Galaxy S25 smartphone and a business-purpose laptop provided by Coupang. I left the laptop at the accommodation and never used it.

문: 줌 미팅은 어떻게 했나요.

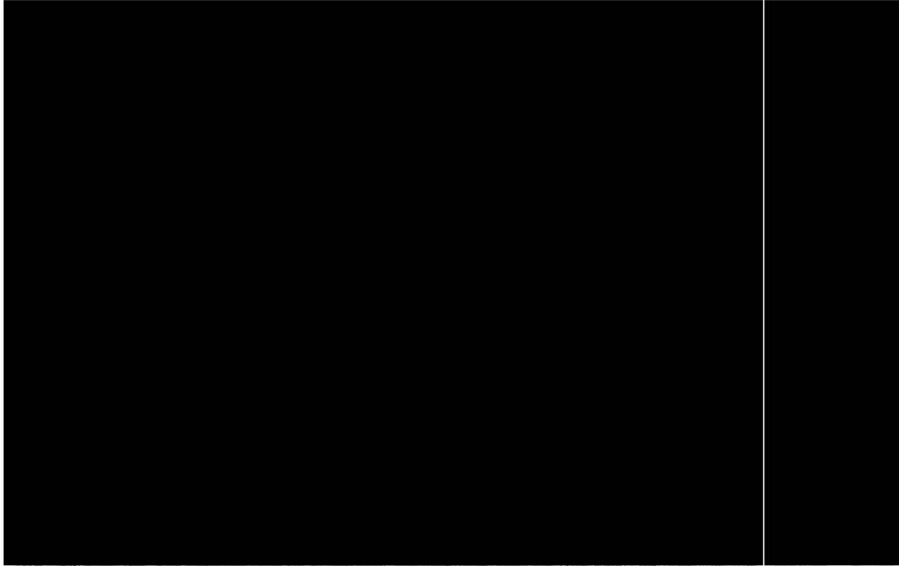
Q: How did you do the Zoom meeting?

답: 핸드폰으로 했습니다.

A: I did it with a mobile phone.

이때, 진술인에게 중국 상해 한쿤 법률사무소에서 2025. 12. 18.경 촬영된 아래 사진을 보여주며 묻다.

At this time, showing the photo below taken around December 18, 2025 at Han Kun Law Offices in Shanghai, China, the interviewer asked questions to the declarant.



문: 위 사진은 2025. 12. 18. 19:14경 아이폰 15 Pro Max로 한쿤 법률사무소 사무실에서 촬영된 상해 하천 인양 노트북 등 사진인데요. 진술인이 직접 촬영한 것인가요.

Q: The photo above is a photo of the laptop, etc. salvaged from the river in Shanghai, taken at Han Kun Law Offices with an iPhone 15 Pro Max at or around 19:14 on December 18, 2025. Did you take this photo directly?

답: 아니요.

A: No.

문: 해당 사진이 촬영될 당시에 진술인도 옆에 있었나요.

Q: Were you there when that photo was taken?

답: 없었던 것 같은데요.

A: I don't think I was there.

문: 해당 쿠광 가방을 개봉했을 때부터의 과정을 여러 번 촬영했는데, 해당 촬영본을 실시간으로 상부, 본사, 미국 측에 공유, 보고를 하였나요.

Q: The process from the time when the Coupang bag was opened was photographed multiple times. Did you share or report those photos in real time to the leadership, headquarters, or the US entity?

답: 없었던 것 같은데요. 정확하진 않은데 제가 가방에 다 들어있는 상태 찍은 것 같긴한데 보냈는지는 모르겠습니다. 사실은 한쿤 법률사무소 사람들이 아무것도 만지지 말라고 해서 제가 특별히 한 게 없고 법무팀 시그널 망에서도 가서 아무 말도 하지 말고 그냥 주는 거 들고 오라고만 했습니다.

A: I don't think so. I don't remember exactly, but I think I took a photo of the state where everything was in the bag, but I don't know if I sent it. Actually, the people from Han Kun Law Offices told not to touch anything, so I didn't do anything special, and even in the Signal chatroom for Legal team, they just told me to say nothing and just bring what they give.

문: 가방에 담배갑이 있었는데 피의자가 담배를 피운다는 사실을 현지에서 확인한 바 있나요.

Q: There was a cigarette pack in the bag. Did you confirm in China that the suspect smokes?

답: 담배갑이 있었는지 몰랐고 담배 피운다는 사실도 전혀 몰랐습니다.

A: I didn't know there was a cigarette pack, nor did I know at all that he smokes.

문: 쿠팡 가방 안에 노트북과 함께 보관된 벽돌 3개가 같이 있었는데 벽돌은 국내 반입하지 않는 이유가 뭔가요.

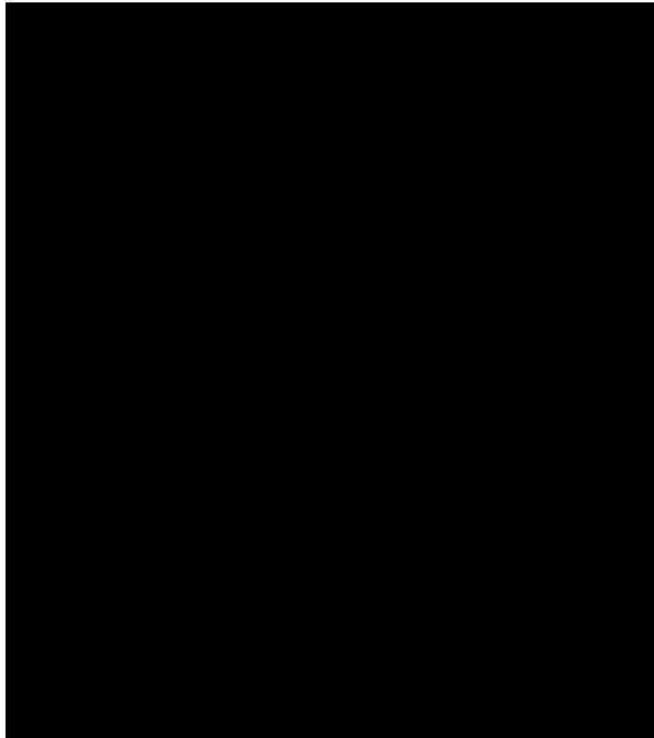
Q: There were 3 bricks kept together with the laptop inside the Coupang bag. What is the reason the bricks were not brought into Korea?

답: 전 몰랐습니다. 저는 벽돌이 있는 상태로 국정원에게 줬습니다. 저는 가급적 증거물에 대해서 손을 안 대려고 했습니다.

A: I didn't know. I gave it to the NIS with the bricks in it. I tried not to touch the evidence to the extent possible.

이때, 진술인에게 중국 상해 한쿤 법률사무소에서 2025. 12. 18.경 촬영된 아래 사진을 보여주며 묻다.

At this time, showing the photo below taken around December 18, 2025 at Han Kun Law Offices in Shanghai, China, the interviewer asked questions to the declarant.



문: 위 사진은 2025. 12. 18. 19:17경 아이폰 15 Pro Max로 한쿤법률사무소 사무실에서 촬영된 피의자 제출 '맥북(MacBook Air) 노트북 일련번호' 사진인데요. 진술인이 직접 촬영한 것인가요.

Q: The photo above is a photo of the “MacBook Air laptop serial number” submitted by the suspect, taken at Han Kun Law Offices around 19:17 on December 18, 2025 with an iPhone 15 Pro Max. Did you take this photo directly?

답: 아니요.

A: No.

문: 일련번호가 출력된 종이를 본 적은 있나요.

Q: Have you ever seen the paper with the serial number printed?

답: 아니요. 서류를 펼쳐놓고 간인을 찍었는데 다 중국어로 적혀있었던 것 같은데 내용은 하나도 기억이 안납니다.

A: No. I spread out the document and stamped the seal between pages. I think it was all written in Chinese, but I don't remember any of the content.

문: 피의자는 자신이 하천에 버린 노트북이 자신의 노트북이라는 것을 증명할 목적으로 "한쿤 로펌의 상하이 사무실로 가기 전에 저는 집에서 이 MacBook Air 컴퓨터의 등록 일련번호를 발견하였고, 그 일련번호를 종이에 인쇄하여 봉투에 넣고 봉투를 밀봉했습니다. 저는 2025년 12월 18일 저녁에 한쿤 로펌의 상하이 사무실에 도착했습니다. 한쿤 로펌 변호사와 안융(중국)기업컨설팅유한회사 직원의 증인 하에 저는 위의 봉투를 책상 위에 놓았습니다. 한쿤 로펌 변호사와 안융(중국)기업컨설팅유한회사 직원의 확인에 따르면 봉투는 밀봉된 상태입니다."라고 3차 진술서에 기재를 했는데요.

Q: The suspect stated in the 3rd written statement that, for the purpose of proving that the laptop he discarded in the river was his own, "before heading to the Shanghai office of Han Kun Law Offices, I found the registered serial number of this MacBook Air laptop at home, printed the serial number on paper, put it in an envelope, and sealed the envelope. I arrived at the Shanghai office of Han Kun Law Offices on the evening of December 18, 2025. Under the witness of a Han Kun lawyer and an EY Consulting (China) employee, I placed the envelope on the desk. According to the confirmation of the Han Kun lawyer and the EY Consulting (China) employee, the envelope is in a sealed state."

답: 내용은 모릅니다.

A: I do not know the content.

문: 밀봉된 상태로 피의자가 가져왔다는 것을 증명할 밀봉된 상태의 노트북 일련번호 종이를 촬영하지 않은 이유가 있나요.

Q: Is there any reason you didn't photograph the sealed paper with the laptop serial number to prove that the suspect brought it in a sealed state?

답: 저는 본 적이 없어서 모르겠습니다.

A: I haven't seen it, so I don't know.

문: 해당 노트북 일련번호 종이는 경찰에 제출하지 않은 이유는 뭔가요.

Q: What is the reason that the paper with the laptop serial number printed was not submitted to the police?

답: 모릅니다.

A: I do not know.

문: 해당 종지도 피의자로부터 제출받아 국정원에게 전달했나요.

Q: Was that paper also received from the suspect and submitted to the NIS?

답: 제가 지장을 찍은 뒤에 잠시 나가 있다가 다시 회의실에 들어와보니 서류들이 정리된 상태로 테이블에 올려져 있었습니다. 그래서 제가 그걸 책가방에 넣고 열어보진 않아서 서류 내용을 알지 못합니다.

A: After I stamped my thumbprint, I was out for a while, and when I came back into the conference room, documents were organized and placed on the table. So I put them in my bag and didn't open them, so I don't know the content of the documents.

문: EY 측에서 증거물의 연계 보관성을 증명하기 위해 노트북 일련번호를 확인하는 과정이 있었던 것으로 보이는데 진술인은 그 과정에 참여했나요.

Q: It seems there was a process where EY checked on the laptop serial number to prove the chain of custody of evidence. Did you participate in that process?

답: 그냥 저한테 서명하라고 한 게 있었어요. 그거만 서명했습니다.

A: There was something I was just requested to sign. I only signed that.

문: 노트북에 있던 일련번호와 종이에 있던 일련번호를 비교하는 작업에 참여했었나요.

Q: Did you participate in the process of comparing the serial number on the laptop and the serial number on the paper?

답: 아, 서류에 서명하기 전에 저한테 뭘 확인하라고 했던 것 같아요. 그걸 확인하고 서명했던 것 같습니다.

A: Ah. I think I was told to check something before signing the document. I think I checked that and signed.

문: 일련번호가 기재된 종이를 봤었나요.

Q: Did you see the paper with the serial number written on it?

답: 아니요. 그건 정말 처음보는 것 같고 기기를 봤던 것 같아요. 2025. 12. 17.에도 서류에 서명하기 전에 기기를 확인하라고 저에게 보여줬던 것 같습니다.

A: No. I think I'm really seeing that for the first time, and I think I saw the device. On December 17, 2025 as well, I think they showed me the device to check before signing the document.

문: 쿠팡에서 임의적으로 중국 상해에서 증거물을 확보했을 경우, 수사기관 입장에서 증거능력을 엄밀히 따져볼 것이란 생각은 진술인 또는 쿠팡 측에서는 하지 않은 것인가요.

Q: Didn't you or Coupang think that the investigative agency would strictly examine the admissibility of evidence if Coupang arbitrarily secured evidence in Shanghai, China?

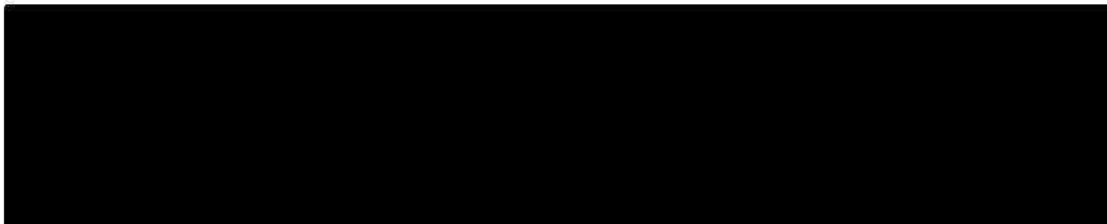
답: 했었습니다. 쿠팡측이라기 보다는 상당히 국정원에서 그런 이야기를 많이 하셨습니다. 국정원에서 계속 증거에 대해서 지시를 주셔서 저는 그걸 회사에 전달했거든요. 그걸 위해서 국정원에서 말씀해주신 걸 이행했었습니다. 지장도 그렇고 용의자를 찍은 사진도 그렇구요.

A: I did. Rather than from Coupang's end, the NIS talked about that a lot. The NIS kept giving instructions regarding evidence, so I conveyed them to the company. To that end, I did what

the NIS told me to do. The thumbprint and the photo of the suspect as well.

문: 피의자의 노트북 일련번호 확인 절차 외에 진술인 또는 쿠팡 측에서는 상해 하천에서 인양한 노트북이 피의자의 것이라는 것을 다르게 증명하였나요.

Q: Apart from the procedure of checking on the suspect's laptop serial number, did you or Coupang prove differently that the laptop salvaged from the Shanghai river belongs to the suspect?



A: I never saw the salvage process, but as I stated previously, on December 18, 2025, I heard that it was salvaged, and relayed it to the NIS. The NIS told me to obtain a statement confirming that the item salvaged from the river indeed belongs to [REDACTED] I conveyed that to the company and I understand that is how the verification process was carried out.

문: 피의자가 범행에 사용한 기기가 피의자의 제출 등으로 확보한 노트북, 하드디스크 4개가 전부일거라 판단한 근거가 있나요.

Q: Is there any basis to determine that the devices the suspect used for the crime consist solely of the laptop and 4 hard disks secured through the suspect's submission, etc.?

답: 저는 그 부분은 잘 모르겠습니다.

A: I do not know that part well.

문: 쿠팡 측에서 피의자의 기기 또는 클라우드 등의 저장장소에 저장된 데이터가 있는지 추가로 조사한 사실이 있나요.

Q: Has Coupang conducted any further investigation as to whether there is any data stored in the suspect's device or storage location such as cloud?

답: 저도 그런 부분은 아예 모르겠습니다.

A: I do not know that part at all either.

문: 진술인이 쿠팡의 2025. 12. 25. 언론사 문자 풀, 공지 내용 작성에 관여했나요.

Q: Were you involved in drafting the press SMS pool and public notice of Coupang dated December 25, 2025?

답: 전혀 없습니다.

A: Not at all.

문: 중국 상해에 출장한 진술인에게 사실관계 확인 절차도 없이 회사에서 해당 문자풀, 공지를 공포한 것인가요.

Q: Did the company issue the SMS pool and notice without a fact-checking with you who traveled to Shanghai, China?

답: 갔다와서 저한테 그때 있었던 일을 한 번씩 질의한 적은 있었는데요. 저는 2025. 12. 25. 언론보도를 보고 알았습니다.

A: After I came back, there were the occasions where I was asked about what had happened then, but I came to know about it by seeing the media report dated December 25, 2025.

문: 2025. 12. 25. 문자풀, 공지 내용을 진술인도 읽어 보았나요.

Q: Have you also read the content of the SMS pool and notice dated December 25, 2025?

답: 문자풀은 모르는 내용입니다. 기자들에게 뿌리는 문자풀이요? 쿠팡 뉴스룸에 속보가 뜨길래 쿠팡 뉴스룸에서 읽어봤습니다.

A: I don't know about the SMS pool. You mean the SMS pool distributed to reporters, right? I read it on the Coupang Newsroom because the breaking news popped up there.

문: 진술인의 경험에 따른 사실 관계와 모두 부합하는 내용이던가요.

Q: Did the content accord with all the facts according to your experience?

답: 사실 제가 그렇게까지 대조하면서 읽어보진 못했고 그리고 그 이후에도 그 내용을 읽어보진 못했거든요. (주머니에 손을 집어 넣으며 말하다.) 제가 그 사실을 모르고 있어서 당황했었던 것 같습니다.

A: Actually, I couldn't read it comparing to that extent, and I haven't read that content since then either. (Speaking with hands in pockets) I think I was flustered because I was unaware of that fact.

문: 2025. 12. 25. 공지 내용은 어느 부서에서 누가 작성한 것인가요.

Q: Which department and who wrote the notice dated December 25, 2025?

답: 아니요. 전혀 모릅니다.

A: No. I don't know at all.

문: 중국에 다녀온 이후로 그때 있었던 일을 한 번씩 질의한 적은 있었다고 진술했는데 누가 어떤 내용을 물어봤었나요.

Q: You stated that, after coming back from China, there were the occasions where you were asked about what had happened then. Who asked what?

답: 그때 2025. 12. 17.경 뭐 했고 2025. 12. 18.경 뭐 했는지 물어보셨던 분들이 있었던 것 같습니다. 누구인지 정확하진 않은데 법무에서 좀 물어봤던 것 같습니다.

A: I think there were people who asked me what I did around December 17, 2025 and what I did around December 18, 2025. I don't recall exactly who, but I think Legal asked me a bit.

Q: If the person who wrote the SMS pool and the notice didn't check the facts with you, I assume [REDACTED], and [REDACTED] would have been involved in putting together the wording. What do you think?

답: 솔직히 누가 작성했는지는 모르겠는데 박대준 대표님은 퇴사했으니까 안계셨
구요. 나머지 분들은 잘 모르겠습니다.

A: Honestly I don't know who wrote it, but Representative Director Park, Dae-jun had resigned
so he wasn't there. I don't know well about the rest.

문 : 증거물 등이 한국에 도착한 이후에 진술인이 관여한 부분이 있나요.

Q: Is there any part you were involved in after the evidence etc. arrived in Korea?

답: 아무것도 없었습니다.

A: None.

문 : 진술인은 국가정보원을 지속 언급했는데 언제부터 국가정보원과 연락을 주
고받은 건가요?

Q: You continuously mentioned the NIS. Since when did you exchange contacts with the NIS?

답: 2025. 12. 1.입니다.

A: It is Dec 1, 2025.

문 : 본인 외에 쿠팡 내에 국정원과 소통하던 직원이 있었나요.

Q: Was there any employee communicating with the NIS within Coupang besides yourself?

[REDACTED]

A: No. Before going to China, only I communicated, and after coming back from China, I
understand Vice President [REDACTED] communicated.

[REDACTED]

Q: Are you aware that at the National Assembly hearing on Coupang held on Dec 30 ~ 31,
2025, Coupang Vice President [REDACTED] testified that there were 3 NIS officials contacted

regarding this case?

답: 네.

A: Yes.

Q: Who are these 3 NIS officials that Vice President [REDACTED] testified about?

답: 그건 잘 모르겠습니다. 본인이 접촉한 직원 3명을 말하시는 건지 제가 만났던 3명을 말하시는 건지

A: I can't tell. Whether he is talking about the 3 officials he contacted or the 3 people I met.

문 : 진술인이 접촉했던 국정원 직원은 3명보다 더 많지 않나요.

Q: Isn't the number of NIS employees you contacted more than 3?

A: Strictly speaking, it is 4. Although not exact, they are Director General [REDACTED], Director [REDACTED] of the Investigation Division, Investigator [REDACTED] and one person whose name I don't know.

Q: What is the business relationship between you and Vice President [REDACTED]

답 : 지랑 다른 조직이고 주로 법무와 상의해야하는 현안이 있었을 때 한 번씩 연락을 드리는 사이입니다.

A: We are in different organizations, and it is a relationship where I contact him once in a while when there is a pending issue that needs to be discussed with Legal.

문 : 국정원으로부터 주로 연락을 받은 쿠팡 측 소통 창구 역할을 한 직원의 소

속과 이름은 어떻게 되나요.

Q: What are the affiliation and name of the employee who acted as the communication channel for Coupang, mainly receiving contacts from the NIS?

A: It is Director [REDACTED] of the Investigation Bureau and Investigator [REDACTED].
I don't even know the contact numbers of the others.

문 : 언론에 따르면, 국정원 쿠광 측에 2025. 12. 2.경 '사이버안보 위협 확인·조사에 필요한 업무 협조 요청' 제목의 공문을 발송한 것으로 확인되는데요. 이에 대해 알고 있나요.

Q: According to the media, it is confirmed that the NIS sent an official letter titled 'Request for Cooperation in Operational Matters Necessary for the Verification and Investigation of Cyber Security Threats' to Coupang around Dec 2, 2025. Do you know about this?

답 : 제목이런 건 알지 못하는데 제가 보긴 봤습니다.

A: I don't know the title or such, but I did see it.

문 : 국정원의 위 공문 본문 내용은 '국정원(국가사이버위기관리단 포함)은 정부 합동대응 차원에서 피해원인 분석 및 대응조치를 위하여 관련된 자료 제출을 요청하오니 협조하여 주시기 바랍니다'라고 기재되어 있는데요. 이에 대해서도 알고 있나요.

Q: The body of the NIS official document above states, 'The National Intelligence Service (including the National Cyber Crisis Management Group), as part of a coordinated government response, requests the submission of relevant materials for cause analysis and response measures. We ask for your cooperation in this matter.' Do you know about this too?

답: 네. 그 내용 봤습니다.

A: Yes. I saw that content.

문 : 국정원에서 쿠팡 측에 발송한 2025. 12. 2.경 '사이버안보 위협 확인 · 조사에 필요한 업무 협조 요청' 공문 외에 국정원으로부터 수신한 공문이 더 있나요.

Q: Is there any other official letter received from the NIS besides the one titled 'Request for Cooperation in Operational Matters Necessary for the Verification and Investigation of Cyber Security Threats' sent by the NIS to Coupang around Dec 2, 2025?

답 : 없습니다.

A: There is not.

이때 언론 기사에서 확인되는 국가정보원 2025. 12. 2. 작성, 제목 '사이버안보 위협 확인 · 조사에 필요한 업무 협조 요청' 공문 내용을 진술인에게 보여준다.

At this time, the declarant is shown the content of the official document titled 'Request for Cooperation in Operational Matters Necessary for the Verification and Investigation of Cyber Security Threats' written by the National Intelligence Service on Dec 2, 2025, which is found in the media articles.

문 : 방금 보여준 국가정보원 2025. 12. 2. 작성, 제목 '사이버안보 위협 확인 · 조사에 필요한 업무 협조 요청' 공문이 쿠팡 측에서 받은 공문과 동일한가요.

Q: Is the official letter titled 'Request for Cooperation in Operational Matters Necessary for the Verification and Investigation of Cyber Security Threats' written by the National Intelligence Service on Dec 2, 2025, shown just now, identical to the official letter received by Coupang?

이때, 진술인이 자신의 휴대폰을 확인하고 답하다.

At this time, the declarant checked his mobile phone and answered.

답: 네. 맞습니다.

A: Yes. It is correct.

문 : 해당 공문을 쿠팡 측에서 가지고 있나요.

Q: Does Coupang possess that official document?

[REDACTED]
At this time, Attorney [REDACTED] the law firm, answered.

문 : 해당 공문의 사본을 경찰에 제출할 수 있나요.

Q: Can you submit a copy of that official letter to the police?

[REDACTED]
At this time, Attorney [REDACTED] the lawfirm, answered.

답 : 회사에 요청하겠습니다.

A: We will request it from the company.

문 : 기기를 회수하러 중국에 갈 당시 수사기관에서 피의자를 특정한 후 상대국과의 국제공조 수사가 진행되고 있을거라고 생각해보지 않았나요.

Q: When going to China to retrieve the devices, didn't you think that international cooperation investigation with the counterpart country would be in progress after the investigative agency identified the suspect?

답 : 사실 그때 당시 수사기관으로부터 전달받은 내용은 없어서 잘 몰랐습니다.

A: Actually, at that time, I didn't know well because I had not been provided with any information by the investigative agency.

문: 본 사건에 대한 수사가 진행되고 있는 사실을 알고 있음에도 중국 상해에서 이 사건 피의자를 직접 대면하고 이 사건에 이용된 범행 기기들을 전달받아 복제본을 획득하는 등의 수사 과정을 수사기관을 거치지 않고 진술인이 직접 한 이유가 무엇인가요.

Q: Even though you knew the fact that the investigation into this case was in progress, what is the reason you personally performed investigation processes such as meeting the suspect of this case directly in Shanghai, China, receiving the criminal devices used in this case, and acquiring duplicates without going through the investigative agency?

답 : 아까도 유사한 질의에 진술했습니다. 국정원에서 요청이 오고 국정원의 활동에 있어서 저희가 지원하는 것에 있어 저희가 따라야하는 일종의 의무사항들을 법적인 근거와 함께 문서를 수령했습니다.

A: I stated this in a similar query earlier. A request came from the NIS, and we received a document with legal grounds regarding a sort of obligations we must follow in supporting the NIS's activities.

그 순간부터 국정원의 요청을 따라야하는 상황으로 인식했고 더 나아가서 공문 수령 후 2025. 12.2.에 국정원과 만났을 때 다른 사건들과 다르게 이번 사건은 용의자가 초기 특정돼있었고 해당 용의자는 중국 국적의 중국에 있는 사람이기 때문에 골든타임을 놓치면 이 사람이 산업 스파이이거나 중국 정부의 사주를 받았을지도 모르는데 개인정보가 다른 사람에게 넘어갈 수도 있다.

From that moment, I recognized it as a situation where we must follow the NIS request. Furthermore, when I met the NIS on Dec 2, 2025, after receiving the official letter, they said unlike other cases, the suspect was identified early in this case, and since the suspect is a person in China with Chinese nationality, if we miss the golden time, personal information might be passed to others while we don't know if this person is an industrial spy or received instigation from the Chinese government.

외교, 안보 문제를 조기에 해결하고 국민들의 불안감을 해소하기 위해 가장 효과적인 방법이라고 상세히 설명해주셨기 때문입니다.

Because they explained in detail that it is the most effective way to resolve diplomatic and security issues early and relieve the public's anxiety.

그리고 국가정보원 역시 공문에 나와있는 것처럼 하나의 정부기관이고 그리고 어디까지나 금번의 목표는 안전하게 증거물을 경찰에 인계하는거라고 하였고 경찰과의 소통도 국정원이 설득할 것이기 때문에 걱정을 안해도 된다는 말씀을 해주셔서 다른 의심을 가지지 못했습니다.

And since the NIS is also a government agency as shown in the official letter, and they said the

goal of this time is strictly to hand over the evidence safely to the police, and told us not to worry because the NIS would persuade communication with the police, I couldn't harbor other doubts.

문 : 진술인이 피의자를 대면하고 범행 기기를 전달받은 사실을 수사기관에는 통보하지 않은 이유는 무엇인가요.

Q: What is the reason you did not notify the investigative agency of the fact that the declarant met the suspect and received the criminal devices?

답: 그때 국정원에서 몇 차례의 말씀이 있었고 2025. 12. 16.경에도 한국의 정보기관이 중국에 넘어가서 이러한 행위 자체를 하는 것이 자칫 외부에 알려지게 되면 안보나 외교 문제로 상당히 크게 비화될 수 있고 중국 현지에 나갔을 때 저를 포함 국정원 요원들의 생명이 상당히 위협해질 수 있는 상황이었기 때문에 절대적인 보안을 요청받았습니다.

A: There were words from the NIS several times then, and around Dec 16, 2025, too, they requested absolute security because if the act itself of a Korean intelligence agency crossing to China and doing this becomes known to the outside, it could escalate significantly into security or diplomatic issues, and it was a situation where the lives of NIS agents including myself could become significantly dangerous when going out to China locally.

그래서 내부, 외부 그 어디에도 발설하지 말아줄 것을 수 차례 말씀하셨습니다. 그리고 경찰에 물건을 인계하는 것이 전달될 것이기 때문에 경찰에도 내용이 전달될 거라고 안심하라고 설득해주셨습니다.

So they told me several times not to disclose it anywhere inside or outside. And they persuaded me to be relieved saying such would be communicated to the police, too, since they are going to communicate to the police about the handing over of the items.

문 : 수사기관을 거치지 않고 쿠광 주식회사 측에서 직접 피의자를 찾아가 대면하고 기기를 전달받는 과정에서 디스크에 기록된 정보를 수정하거나, 피의자와 진술을 맞춰 침입 및 비밀 침해, 유출 규모를 줄일 수 있을 것으로 보이는데, 진

술인은 어떻게 생각하나요.

Q: In the process of Coupang Corp.'s side directly visiting and meeting the suspect and receiving the devices without going through the investigative agency, it appears possible to modify information recorded on the disk or coordinate statements with the suspect to reduce the scale of intrusion, secret infringement, and leakage. What do you think?

답 : 저희는 국정원에서 주시는 그 지침에 절대적으로 지침 속에서 수행을 했었고 국정원 역시 정부기관이었기 때문에 저희는 국정원 지시사항에 성실히 이행해서 문제가 없을 것이라고 생각했습니다.

A: We performed absolutely within the guidelines given by the NIS, and since the NIS is also a government agency, we thought there would be no problem if we faithfully implemented the NIS instructions.

인양된 랩탑에 대해서 용의자가 자신의 것임을 인정하는 추가 진술서를 요청하셨을 때도 거기에 똑같이 수행했고 용의자가 진술했던 진술서 전체에 지장, 날인을 요청하셨을 때도 거기에 부합하여 수행했고 또한 그 앞전에 용의자가 자신의 랩탑을 강에 투척하였다고 하였고 그 사실을 국정원에 보고했을 때 국정원에서 반드시 강물에 빠진 랩탑을 수거할 수 있도록 노력해야 되고 민간 잠수사나 배를 띄우는 것에 마찬가지로 저희는 부합하게 수행했습니다.

When they requested an additional written statement from the suspect admitting the salvaged laptop was his, we performed exactly that, and when they requested thumbprints and fingerprinting on the entire written statement the suspect stated, we performed in accordance with that. Also, before that, when the suspect said he threw his laptop into the river and we reported that fact to the NIS, the NIS said we must make efforts to retrieve the laptop fallen in the river, like using civilian divers or launching a boat, and we performed in accordance likewise.

그렇기 때문에 국정원에서 주시는 지침을 완벽하게 하면 큰 문제는 없을 것이라고 판단했습니다.

Therefore, I judged that if we perfectly followed the guidelines given by the NIS, there would

be no big problem.

그리고 중국에 출국하기 전이랑 중국에 출국하고 나서도 몇 차례에 걸쳐서 국정원 상부와 경찰 상부 간에 교감이 있는 것으로 안다는 취지의 말씀을 해주셨습니다.

And before leaving for China and after leaving for China, they told me several times to the effect that they understand there is communication between the NIS upper level and the police upper level.

문 : 진술인은 금일 조사에서 계속해서 경찰과 국정원에 '보고'했다는 단어를 사용하는데 진술인은 쿠팡에 소속된 직원으로 경찰이나 국정원이 보고의 대상이 아니지 않나요.

Q: You continue to use the word 'report' to the police and NIS in today's investigation, but as an employee belonging to Coupang, aren't the police or NIS not the objects of reporting?

답: 사실 이런 표현을 제가 의식을 하고 한 것은 아니고 어떤 단어의 뜻에 있어 해석의 여지가 있다고 생각합니다.

A: Actually, I didn't use this expression consciously, and I think there is room for interpretation in the meaning of a certain word.

저로서는 저희 회사가 작금의 상황에서 조사를 받고 있기 때문에 기관의 요청에 의해서 반드시 응해야하는 의무가 있다고 판단을 하고 있습니다.

For me, since our company is being investigated in the current situation, I judge that there is an obligation to absolutely comply with the request of the agency.

그래서 어떤 사안에 대해서는 보고해야할 의무가 있다고 이해하고 있습니다. 경찰 외에 민간합동조사단에도 와있는데 쿠팡 직원들이 보고한다고 얘기를 하고 있습니다.

So I understand that for certain matters, there is an obligation to report. Besides the police, the public-private joint investigation team is also here, and they say Coupang employees report [to

them].



At this time, showing the photo below of Coupang Vice President [REDACTED] appearing before the investigation team on Dec 21, 2025, and voluntarily submitting evidence such as the laptop and HDD secured by the declarant from suspect [REDACTED] in Shanghai, China during the period of Dec 17~18, 2025, the interviewer asked questions.



Q: This is a photo of the packing envelope of suspect [REDACTED] laptop voluntarily submitted by Coupang Vice President [REDACTED]. Is it the correct packaging form when you received the suspect's laptop at Han Kun Law Offices in Shanghai during the period of Dec 17 ~ 18, 2025?

답: 네. 맞습니다. 완충제 같은 걸로 포장되어 있었어요.

A: Yes. It is correct. It was packed with something like cushioning material.

문 : 당시 제출자와 인계자의 서명이나 날인 등 증거물 봉투에 기재, 작성되어 있
나요.

Q: Were signatures or seals of the submitter and receiver written or composed on the evidence
envelope at that time?

답: 제가 직접 만져볼 순 없어서 자세히 보진 못했지만 포장지에는 특별한 게 없
었고 제가 서명한 서류에 누가 이미 다른 사람이 서명한 부분이 있었습니다. 저
는 제가 서명해야되는 부분에 서명했습니다.

A: I couldn't touch it directly so I couldn't see in detail, but there was nothing special on the
packaging, and there was a part where someone else had already signed on the document I
signed. I signed on the part where I had to sign.

문 : 위 사진의 봉투가 중국 상해 한쿤 사무실에서 제출받은 그대로 인 것이 증
명되나요.

Q: Is it proven that the envelope in the photo above is exactly as received at the Han Kun office
in Shanghai, China?

답 : 저는 국정원에 노트북, 벽돌, 에코백이 들어간 묶여진 포대자루를 그대로 전
달했습니다. 이후에 국정원에서 파손되지 말라고 별도 봉인한 것 같고 하드디스
크가 들어있던 봉투는 사진에 있는 게 맞는 것 같습니다.

A: I delivered the tied sack containing the laptop, bricks, and eco-bag as is to the NIS. It seems
the NIS sealed it separately later to prevent damage, and the envelope containing the hard disk
seems to be correct as in the photo.

데스크탑은 상자에 있진 않았고 그냥 큰 에코백에 들어있었습니다.

The desktop was not in a box but just inside a large eco-bag.

문 : 한쿤 사무실에서 증거물을 위와 같은 주황색 봉투에 넣는 것이 촬영된 사진,
영상이 있나요.

Q: Is there a photo or video filming the putting of evidence into the orange envelope like above

at the Han Kun office?

답: 제가 따로 찍은 건 없어요. 근데 저한테 한쿤 법률사무소 사람들이 가급적 만지지 말라고 얘기를 해서 제가 그럼 상세한 사진을 전부 찍어서 회사에 보내달라고 하니까 그 사람들이 그렇게 하겠다고 했습니다.

A: I didn't take any separately. But since the Han Kun Law Offices people told me not to touch as much as possible, I said then please take all detailed photos and send them to the company, and they said they would do so.

문 : 지금까지 질문에 대해 현재 쿠팡 대표 해럴드 로저스에게는 진술인이 직접 보고한 사실이 있나요.

Q: Have you ever directly reported to the current Coupang Representative Director Harold Rogers regarding the questions so far?

답 : 없습니다.

A: No.

문 : 진술인이 해럴드 로저스 대표와 연락하는 수단이 따로 있나요.

Q: Is there a separate means for you to contact Representative Director Harold Rogers?

답 : 없습니다.

A: No.

Q: Is there anything Representative Director Harold Rogers instructed separately to you directly or through [REDACTED] etc.?

답 : 그건 제가 알 수 없습니다.

A: That I cannot know.

문 : 대표님 지시라고 말하면서 지시를 전달한 직원들이 전혀 없었나요.

Q: Were there absolutely no employees who conveyed instructions saying it was the Representative Director's instruction?

답: 네, 없었습니다.

A: No. There were none.

문 : 해럴드 로저스 대표는 위 진술 내용에 대한 의사결정에 어느 정도 참여를 했는지 알고 있나요.

Q: Do you know to what extent Representative Director Harold Rogers participated in the decision-making regarding the above statement contents?

답 : 아뇨.

A: No.

Q: Were all decision-making processes after Representative Director Park Dae-jun's resignation made under Vice President [REDACTED] instruction?

A: No. Not Vice President [REDACTED] instruction, but I talked only in the Legal team's Signal chatroom I mentioned before and didn't talk to other people.

문 : 시그널 방에서 국정원이나 중국에서 피의자를 만나는 내용 관련 주로 지시를 한 사람은 누구인가요.

Q: Who was the person who mainly gave instructions regarding the NIS or meeting the suspect in China in that Signal chatroom?

[REDACTED]

A: The people who conversed on this matter were all the 3 people in that room and [REDACTED] and the people who mainly gave instructions were [REDACTED] and [REDACTED]

[REDACTED]

Regarding the local matters, [REDACTED] also contacted me separately.

[REDACTED]

Q: If you delivered what the NIS requested to that Signal chatroom, did [REDACTED] and [REDACTED] mainly go through discussion?

답: 그냥 그 상황에서 궁금한게 있으면 그때그때 저한테 물어보시기도 하시고 국정원에 요청사항에 있어서 빠르게 답변을 줘야하는 상황이 있잖아요.

A: Just if they were curious in that situation, they would ask me then and there, and there are situations where we have to give answers quickly regarding NIS requirements.

그게 첫부르게 바로 YES라고 답변하지 못하는 것도 있었을 거예요.

There must have been things they couldn't hastily answer YES immediately.

그래서 제가 시그널에 올리면 바로 YES라고 하시는 분도 계셨고 아니면 한참 있다가 YES라고 하시는 분도 계셨어요.

So when I posted to Signal, there were people who said YES immediately, and there were people who said YES after a while.

때로는 어떤 내용을 국정원에 부탁하면 안되겠냐는 내용도 있었구요. 예를 들면 중국 현지에서 있는 법인 직원들이 접촉하는 것은 지양해달라는 내용, 한국 법무팀 직원이 연락하는 것도 제3자나 다른 방법이 있는지 물어봐달라는 지시도 있었구요.

Sometimes there was content asking if we couldn't ask the NIS about certain things. For example, content of asking that local entity employees in China be saved from contacting, or instructions to ask them if it can be through a third party or other methods regarding the Korean Legal team employee's contacting.

제가 중국에 간다고 했을때도 거듭 국정원에 우리 직원이 안가면 안되냐고 물어 보는 내용도 있었습니다.

When I said I would be going to China, there was also content repeatedly asking if we could ask the NIS if our employee really has to go.

지금 와서 보면 저희 모두가 국정원의 요청사항에 NO라고 할 수 있다는 생각을 아무도 가지지 못했던 것 같습니다.

Looking back now, it seems none of us had the thought that we could say NO to the NIS' requests.

문: 마지막으로 하고 싶은 말이 있나요.

Q: Is there anything you want to say finally?

답 : 당초에는 국정원에서 경찰의 참고인 진술할 때 기록에 남기지 않았으면 좋겠다고 말씀을 주셨고 가급적 국정원과 확인을 하는 게 좋을 것 같다는 취지로 수사관님에게 말하라는 지침을 주셨습니다.

A: Initially, the NIS told me they would prefer that no records are left when I make the police reference witness statement, and gave me instructions that I answer to the investigator to the effect that it would be best to confirm with the NIS, if possible.

중국에서 국정원 직원과 있었던 일을 진술조서에 남기는 것 자체도 걱정이 됩니다. 이 부분을 감안해주셨으면 좋겠습니다.

I am worried about the very fact of leaving what happened with the NIS employees in China in the statement. I hope you take this part into account.

문 : 이상 진술이 모두 사실인가요.

Q: Is the above statement all true?

답 : 네

A: Yes

문 : 이상 진술한대로 기재되어 있나요.

Q: Is it recorded as stated above?

답: 네

A: Yes

문 : 추가로 제출할 자료가 있나요.

Q: Are there any additional materials to submit?

답: 필요시 제출하겠습니다.

A: I will submit if necessary.

위의 조서를 진술자에게 열람하게 하였던 바 진술한 대로 오기나 증감·변경할 것이 없다고 말하므로 서명(기명날인)하게 하다.

Having let the declarant inspect the above statement, as he/she said there are no errors, additions, decreases, or changes from what was stated, he/she was asked to sign (name and seal).

	
Declarant	
	
Attorney	
	

Attorney

[REDACTED]

2026. 1. 3.

January 3, 2026

[REDACTED]

Judicial Police Officer Inspector

[REDACTED]

[REDACTED]

Judicial Police Officer Senior Inspector

[REDACTED]

[REDACTED]

Judicial Police Official Assistant Inspector

[REDACTED]

[REDACTED]

Judicial Police Official

[REDACTED]

수사 과정 확인서

Confirmation of Investigation Process

구분 Category	내용 Description
1. 조사 장소 도착시각 Arrival time at investigation place	2026. 1. 3. 10:19
2. 조사 시작시각 및 종료시각 Investigation start time and end time	☐ 시작시각 : 2026. 1. 3. 10:19 Start time ☐ 종료시각 : 2026. 1. 3. 22:50 End time
3. 조서열람 시작시각 및 종료시각 Statement review start time and end time	☐ 시작시각 : 2026. 1. 3. 22:50 Start time ☐ 종료시각 : 2026. 1. 3. 00:33 End time
4. 기타 조사과정 진행경과 확인에 필 요한 사항 Other matters necessary to confirm the progress of the investigation process	11:20~11:30 휴식 Break time 13:30~14:45 휴식(중식) Break time (lunch) 16:04~16:14 휴식 Break time 17:45~17:56 휴식 Break time 21:05~21:20 휴식 Break time
5. 조사과정 기재사항에 대한 이의 제 기나 의견진술 여부 및 그 내용 Any objection or statement of opinion regarding the recorded matters of the investigation process and its content	None

2026. 1. 3.

[REDACTED]

Judicial Police Officer Inspector [REDACTED] investigated [REDACTED] and received confirmation from [REDACTED] regarding the above matters.

[REDACTED]
Confirmed by [REDACTED] (signature)

[REDACTED]
Judicial Police Officer Inspector [REDACTED] (seal)

Exhibit 19:
CPNG-HJC119-0001065
Yonhap News Article “Nat’l Assembly
Set to File Complaint Against Head of
Coupang’s Korean Unit Over Alleged
Perjury”

Nat'l Assembly set to file complaint against head of Coupang's Korean unit over alleged perjury

09:16 December 31, 2025

By Yi Wonju

SEOUL, Dec. 31 (Yonhap) — The National Assembly is set to make a decision on Wednesday that would file a complaint against the interim chief of Coupang's Korean unit over alleged perjury amid a parliamentary hearing into the online retailer's massive data leak that affected nearly two-thirds of South Korea's population.

The move comes a day after Harold Rogers, interim CEO of Coupang Corp., the online retailer's Korean unit, claimed that the company conducted an internal probe into the massive data leak at the direction of the National Intelligence Service (NIS) and that the spy agency instructed the company to get in touch with the person who leaked user information.

The NIS [denied](#) giving such instructions, saying it has asked the Assembly to seek a complaint against Rogers for alleged perjury.

The decision on whether to move forward with the complaint will be made later in the day during the hearing, which will examine the company's handling of personal data leaks, as well as alleged unfair practices.

The government reaffirmed Tuesday that the major data breach at the U.S.-listed e-commerce giant affected 33 million customers in South Korea.

On Monday, the company announced a compensation [plan](#) after Coupang founder Kim Bom-suk issued his first public apology since the incident, but the move has sparked backlash from consumer rights groups, which criticized it as a marketing ploy aimed at boosting purchases and membership renewals.



Harold Rogers, interim chief of e-commerce giant Coupang Corp., takes an oath during a plenary session of the National Assembly in Seoul on Dec. 30, 2025, to inspect the online retailer over its massive data leak that affected nearly two-thirds of South Korea's population. (Yonhap)

julesyi@yna.co.kr
(END)

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Exhibit 20:
CPNG-HJC119-0001067
Yonhap News Article “Presidential
Office Holds Emergency Meeting on
Coupang Data Leak”

(LEAD) Presidential office holds emergency meeting on Coupang data leak

22:04 December 25, 2025

(ATTN: RECASTS headline, lead; ADDS more details throughout)

SEOUL, Dec. 25 (Yonhap) — The presidential office convened an emergency ministerial-level meeting with government officials Thursday to discuss a recent data breach at e-commerce giant Coupang Inc., according to informed sources.

Kim Yong-beom, presidential chief of staff for policy, presided over the meeting, attended by ministerial-level government officials, including the science minister and the personal information protection commission chair, as well as officials from investigative agencies, the sources said.

Notably, Foreign Minister Cho Hyun and officials from the National Security Office attended the meeting, together with senior officials from the National Intelligence Service. It indicates they may look into Coupang's lobbying activities in the United States.



A Coupang employee looks at his smartphone at a logistics center in Seoul on Dec. 17, 2025. (Yonhap)

"There is widespread understanding within the government about the seriousness of the breach," a source said, asking not to be identified, adding that given the gravity of the issue, the meeting took place even on a holiday.

Other sources close to the issue noted that the meeting being held on a holiday suggests how seriously President Lee Jae Myung takes the issue.

During a briefing by the finance ministry on Dec. 11, Lee criticized the U.S.-listed e-commerce giant, saying, "Those people are not afraid of punishment at all."

Earlier in the day, Coupang announced it has recovered all leaked personal information involving approximately 3,000 customers, adding that no data has been transferred to anyone outside the company.

Coupang said it has identified a former employee responsible for the data leak by using forensic evidence, adding that the individual confessed and provided a detailed account of how customer information was accessed.

But the government refuted Coupang's announcement as a "unilateral claim," saying the outcome of a private-government joint team's investigation into the data leak have yet to come out.

jaeyeon.woo@yna.co.kr

(END)

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Exhibit 21:
CPNG-HJC119-0001070, pages 1076-
1087
Statement of Coupang Employee

I, [REDACTED] certify that I am competent to translate from Korean into English and that the translation of the below document is true, accurate, and complete to the best of my knowledge. This translation has been reviewed and verified by a human translator. If you have any questions regarding the translation, please contact me at the email address below.

Typed Name: [REDACTED]

Qualifications: Professional Translator with an MA in Korean-English Interpretation, Seoul, Korea

Email: [REDACTED]@coupang.com

Date: February 4, 2026

[Translation of the declaration]

[REDACTED]

1. I am an employee of Coupang Corp. I make this declaration based on my experience with the event described below. All statements are true and correct to the best of my knowledge and belief.

저는 쿠팡 주식회사의 직원입니다. 아래 사건에 관하여 직접 경험한 사실을 바탕으로 본 진술을 합니다. 모든 진술은 저의 기억에 근거하여 진실되고 정확하게 작성되었습니다.

2. On November 30, Coupang Representative Director Park Dae-jun attended a joint government meeting chaired by Deputy Prime Minister Bae Kyung-hoon and attended by National Intelligence Service (NIS) Third Deputy Director Kim Chang-seop. RD Park Dae-jun explained in this meeting that this was a case where the suspect had been identified and emphasized the necessity of preventing secondary damage through recovery. The NIS Third Deputy Director listened attentively to this. Immediately after the meeting, RD Park Dae-jun informed me that the NIS might contact Coupang.

11 월 30 일, 쿠팡 박대준 대표이사는 배경훈 부총리가 주재하고 국가정보원 김창섭 3 차장이 참석한 정부 합동회의에 출석했습니다. 박대준 대표이사는 용의자가 특정되는 사안임을 설명하면서 회수를 통한 2 차 피해 방지 필요성을 역설하였고, 국가정보원 3 차장은 이를 경청하였습니다. 박대준 대표이사는 회의 직후 저에게 국가정보원이 쿠팡을 접촉할 가능성이 있다는 의견을 말해 주었습니다.

3. On December 1, around 2:00 p.m., Director [REDACTED] from the NIS called Coupang for the first time. The NIS requested an in-person meeting in front of the company. By around 4:00 p.m. that same day, NIS officers arrived at Coupang's office, Tower 730. The visiting NIS officials included [REDACTED] Director General of Investigation Bureau (Civil Servant Level 2–3), and [REDACTED] Director of Investigation Division (Civil Servant Level 4). They introduced themselves formally and immediately positioned the situation as a cooperative effort, focusing on recovering a suspect's device located in China.



4. Around 7:00 p.m. that evening, Coupang contacted the NIS to inquire about the official basis for Coupang's cooperation with the NIS. The NIS stated that since this incident directly concerned national security—involving the leakage of personal information of the majority of citizens—the NIS needed to handle it, and Coupang had a legal obligation to cooperate. Coupang requested that the NIS provide this information in an official letter.

그날 저녁 7 시경, 쿠팡은 국정원에 연락하여 쿠팡이 국정원에 협조해야 하는 공식적인 근거를 문의했습니다. 국가정보원은 이 사건은 대다수 국민의 개인정보가 유출된 국가안보에 직결되는 사안인만큼, 국정원이 수행할 필요성이 있으며, 쿠팡은 이에 협조할 법적 의무가 있다고 했습니다. 쿠팡은 국가정보원에 해당 내용을 공문으로 제공해 줄 것을 요청했습니다.

5. On December 2 at approximately 1:00 p.m., the NIS sent an official letter to Coupang via fax. The official letter explicitly cited Article 5 of the National Intelligence

Service Korea Act. Accordingly, Coupang clearly recognized that it had a legal obligation to comply with the NIS's request.

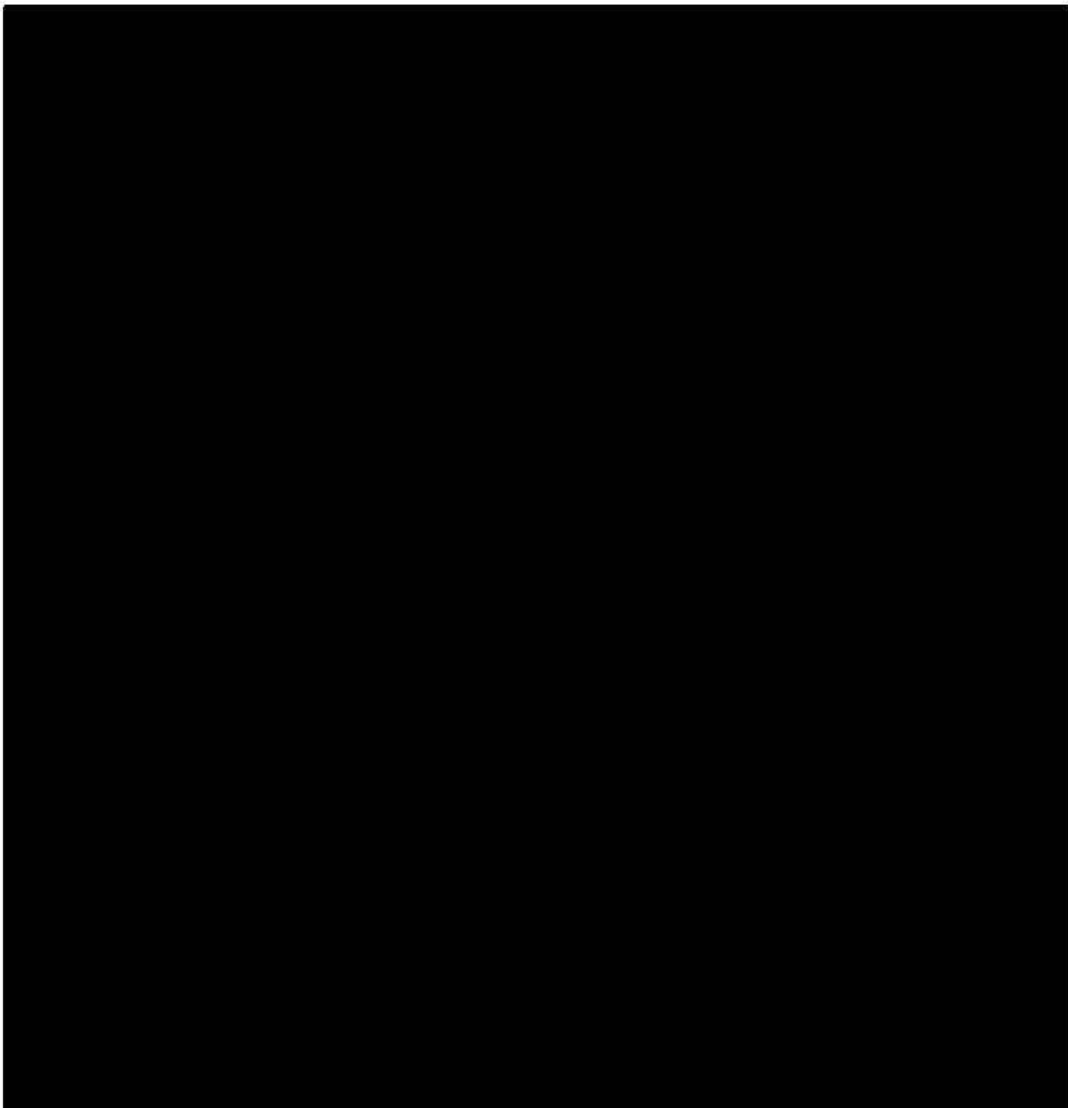
12 월 2 일 오후 1 시경, 국가정보원은 쿠팡에게 팩스로 공문을 발송했습니다. 공문에는 국가정보원법 제 5 조가 명시되어 있었습니다. 이에 따라 쿠팡은 국정원의 요청에 따라야 할 법적 의무가 있음을 명확히 인식하게 되었습니다.

국가정보원법 제 5 조는 (국가기관 등에 대한 협조 요청 등) ① 원장은 직무 수행과 관련하여 필요한 경우 국가기관이나 그 밖의 관계 기관 또는 단체(이하 “국가기관 등”이라 한다)에 대하여 사실의 조회·확인, 자료의 제출 등 필요한 협조 또는 지원을 요청할 수 있다. 이 경우 요청을 받은 국가기관 등의 장은 정당한 사유가 없으면 그 요청에 따라야 한다

Article 5 of the National Intelligence Service Korea Act (Request to State Agencies for Cooperation)

- ① If necessary for the performance of duties, the Director may request State agencies or other relevant agencies or organizations (hereinafter referred to as “State Agencies, Etc.” to cooperate or support, such as responding to a facts inquiry and submitting relevant materials.

6. That evening between 7:00 and 8:00 p.m., Coupang met with the NIS. Coupang promised to cooperate with the NIS and provided basic information about the suspect. The NIS said that all future cooperation and communication would be conducted solely via phone calls and face-to-face meetings, and that no written records, including text messages, should be used. They also emphasized the need for strict confidentiality. Director of Investigative Division [REDACTED] and Investigator [REDACTED] attended this meeting. During the meeting, Coupang requested that the company's safety be carefully considered regarding the risk of punishment under China's counterespionage law for retrieving data already transferred to China back to Korea and for cooperating through Coupang's employees in China with Korean intelligence agencies within China during that process. For this reason, Coupang sought understanding that cooperation from its Chinese employees would likely be difficult. Unlike other hacking incidents, since this case has a specific suspect, the attendees unanimously agreed that a swift recovery, above all else, is the best approach to prevent the situation from escalating into a security or diplomatic issue and to alleviate public anxiety.



- [REDACTED]
7. On December 5, between 2:00 and 4:00 p.m., Coupang and the NIS held a meeting on the technical aspects of the hacker's attack patterns. Through the meeting, the attendees became aware that the amount of personal information the suspect actually leaked might not be as much as known previously.

12 월 5 일 오후 2 시부터 4 시 사이에, 쿠팡과 국정원은 해커의 공격 패턴에 관한 기술적인 내용에 대한 미팅을 진행했습니다. 미팅을 통해, 참석자들은 용의자가 실제로 유출한 개인정보는 기존에 알려진 것보다 많지 않을 수 있음을 인식했습니다.

8. Around 11:00 p.m. on December 6, the suspect posted a message in a WeChat chatroom used by our Chinese employees. Coupang immediately reported this situation to the NIS. The NIS advised Coupang's Korea legal team to contact the suspect directly, even suggesting specific content and tone for the email to be sent. Simultaneously, the NIS requested that Coupang not disclose the matter to any other government agencies, including the police.

12 월 6 일 오후 11 시경, 용의자는 중국인 직원들이 사용하는 위챗 채팅방에 메시지를 보냈습니다. 쿠팡은 즉시 이 상황을 국가정보원에 보고했습니다. 국가정보원은 쿠팡의 한국 법률팀이 용의자와 직접 접촉할 것을 조언하면서, 발송할 이메일의 내용과 톤까지 구체적으로 제안했습니다. 동시에 국정원은 쿠팡에게 경찰을 포함 모든 정부기관에 대한 엄격한 비밀유지를 당부했습니다.

9. On December 9, from 2:00 to 4:00 p.m., a meeting was held on the additional technical aspects. Two Ph.D.s from the NIS side attended.

12 월 9 일 오후 2 시부터 4 시까지 추가 기술적인 내용에 대한 미팅이 진행되었습니다. 국가정보원 측 박사 2 명이 참석했습니다.

10. On December 9, Coupang's Korea Legal team sent a message to the suspect

proposing a meeting to discuss technical aspects. Due to China's counterespionage law, the Shanghai Legal team could not send it, so the Korea Legal team sent it.

12 월 9 일, 쿠팡 한국 법무팀은 용의자에게 기술적인 내용에 대하여 논의하는 미팅을 제안하는 메시지를 발송했습니다. 중국 반간첩법 때문에 중국 상해 법무팀이 보낼 수 없었고, 한국 법무팀이 보냈습니다.

11. On the evening of December 10, the NIS proposed that Coupang's Korea Legal team send a message to the suspect again, this time recommending that the message include a response deadline. As before, the NIS asked Coupang not to inform the police of these communications. The NIS emphasized that it is important to initiate dialogue with the suspect first and explained that the timing of any disclosure to police could be evaluated later, based on how the situation developed. At this stage, the NIS appeared to be monitoring the suspect in Shanghai, China, and to have determined that conditions were in place to contact the suspect. The NIS indicated it could not become a direct party to contact the suspect, so it engaged by advising on the Coupang's actions, but it did so at a very specific level.

12 월 10 일 저녁, 국정원은 쿠팡의 한국 법무팀에게 다시 한 번 용의자에게 메시지를 보내되 이번 메시지에는 답변 기한을 명시해서 보낼 것을 제안했습니다. 이전과 마찬가지로 국정원은 쿠팡에게 용의자와의 소통 내용을 경찰에 알리지 말 것을 당부했습니다. 국정원은 용의자와 일단 대화를 개시하는 것이 중요함을 강조하면서, 경찰에 대한 공개 시기는 상황 전개에 따라 추후 판단할 수 있다고 말했습니다. 이 무렵 국정원은 중국 상하이에 있는 용의자를 모니터링 하고 있는 것으로 보였으며, 용의자에게 연락을 취할 환경이 갖추어졌다고 판단한 것으로 보였습니다. 국정원은 용의자에게 직접 연락하는 당사자가 될 수 없다고 하며, 쿠팡의 행위를 조언하는 방식으로 관여했으나, 매우 구체적인 수준으로 관여를 했습니다.

12. On December 11, around 1:00 p.m., Coupang informed the NIS that the suspect had replied to the message sent by Coupang's Legal team. The NIS supplied several follow-up questions for the suspect. Shortly afterward, at approximately 1:30 p.m., Coupang's Korea Legal team spoke by phone with the suspect's lawyer. The NIS

stated that Coupang can decide the method for analyzing the recovered equipment.

12 월 11 일 오후 1 시경, 쿠팡은 용의자가 쿠팡 법무팀에 답장 메시지를 보냈음을 보고했습니다. 국정원은 용의자에게 할 몇 가지 질문을 제공했습니다. 그 직후인 오후 1 시 30 분경, 쿠팡 한국 법무팀은 용의자의 변호인과 전화 통화를 했습니다. 국정원은 회수된 장비의 분석 방법은 쿠팡이 결정하면 된다고 하였습니다.

13. Later that day, around 6:00 p.m., Coupang notified the NIS that it would likely continue communications with the suspect's lawyer through its outside counsel. The NIS accepted this approach.

같은 날 오후 6 시경, 쿠팡은 아마도 외부 변호사를 통해 피의자 측 변호사와의 소통을 지속할 것 같다고 국정원에 알려주었습니다. 국정원은 쿠팡의 의견을 수용했습니다.

14. By December 13, around 8:00 p.m., Coupang informed the NIS that the suspect's lawyer had replied by email and that they refuse to engage in conversation with Coupang.

12 월 13 일 오후 8 시경, 쿠팡은, 용의자 측 변호사가 쿠팡과의 대화를 거부하는 이메일을 보내 왔음을 국정원에게 알렸습니다.

15. On December 14, Coupang's lawyer continued efforts to persuade the suspect's lawyer and managed to arrange a face-to-face meeting. Coupang reported these facts to the NIS.

12 월 14 일, 쿠팡의 변호사는 용의자의 변호사를 설득하기 위해 계속 노력했고, 대면미팅을 갖게 되었습니다. 쿠팡은 이러한 사실을 국정원에 보고했습니다.

16. On December 15, around 1:00 p.m., Coupang informed the NIS that someone claiming to be a hacker had sent an email to help@coupang.com on the night of December 13. Later that day, around 5:30 p.m., Coupang sent the original email to the NIS in .eml format, at the request of the NIS. The NIS analyzed the IP address and informed Coupang that it did not match the hacker's known IP address.

12 월 15 일 오후 1 시경, 쿠팡은 해커를 자칭하는 인물이 12 월 13 일 밤 help@coupang.com 으로 메일을 보냈음을 국정원에 보고했습니다. 같은 날 오후 5 시 30 분경, 국정원의 요청에 따라, 쿠팡은 원본 이메일을 .cml 형식으로 국가정보원에 송부했습니다. 국가정보원은 IP 주소를 분석하였고, 해커의 알려진 IP 와 일치하지 않는다고 쿠팡에게 알려주었습니다.

17. On December 16, Coupang informed the NIS that the suspect's desktop PC and hard drive had been secured in Shanghai. That same day at lunchtime, Coupang and the NIS held a meeting. The NIS stated that since Chinese law prohibits foreign intelligence agencies, including the NIS itself, from operating within China, Coupang—not the NIS—must be the entity responsible for retrieving the devices. The NIS stated that, for that reason, it is essential for a Coupang employee to directly perform the device retrieval. Coupang was concerned about the safety of its employee to be sent to China, but recognized that sending a Coupang employee directly to China was unavoidable for the device retrieval. Consequently, Coupang agreed to send a Korean employee to China to retrieve the hard drive.

18. On December 16, Coupang expressed concern that proceeding with the retrieval without prior consultation with the police could become problematic. The NIS stated it would handle persuading other government agencies, including the police. The NIS also advised that, given the high risks involved in the retrieval operation, it would be best not to notify the police until the retrieval was complete to ensure a safe and successful operation.

12 월 16 일 쿠팡은 상하이에서 용의자의 데스크톱 PC 와 하드 드라이브를 확보한 사실을 국정원에 알렸습니다. 당일 점심, 쿠팡과 국정원은 회의를 진행했습니다. 국정원은 중국 내에서 국정원을 포함하여 외국 정보기관이 활동하는 것은 중국법상 금지되어 있으므로, 데이터 회수의 주체는 국정원이 아니라 쿠팡이 되어야 한다고 했습니다. 그러한 이유로 국정원은 데이터 회수를 위해서는 쿠팡 직원이 직접 행위를 하는 것이 필수적이라고 했습니다. 쿠팡은 중국에 갈 쿠팡 직원의 안전이 염려되었지만, 데이터 회수를 위해서는 쿠팡 직원이 직접 중국에 가는 것이 불가피함을 인식하고,

쿠팡 한국 직원을 중국으로 보내 하드드라이브를 회수하기로 하였습니다.

쿠팡은 경찰과 사전 협의를 하지 않고 회수를 진행하는 것이 문제될 것을 염려했고, 국정원은 경찰을 포함한 타 정부기관의 설득은 국정원에서 잘 해 보겠다고 했습니다. 국정원은 회수 작업은 고도의 위험이 따르므로, 안전하고 확실한 회수를 위해서는 회수를 완료하기 전까지 경찰에 통보를 하지 않는 것이 좋겠다고 하였습니다.

19. Throughout the afternoon and evening of December 16—at 2:34 p.m., 4:55 p.m., 8:00 p.m., 8:16 p.m., 8:30 p.m., 8:55 p.m., 9:18 p.m., 9:55 p.m., and 10:11 p.m.—Coupang and the NIS had several phone calls to finalize the movement and recovery plans in Shanghai.

12 월 16 일 오후부터 저녁까지—오후 2 시 34 분, 오후 4 시 55 분, 오후 8 시, 8 시 16 분, 8 시 30 분, 8 시 55 분, 9 시 18 분, 9 시 55 분, 10 시 11 분— 국정원과 쿠팡은 상하이에서의 이동 및 회수 계획을 최종 확정하기 위해 수 차례 통화했습니다.

20. On December 17, around 4:00 p.m. local time in China, after arriving at Shanghai Pudong Airport, a Coupang employee traveled alone by taxi to Han Kun Law Offices. Around 5:00 p.m. EY and Han Kun handed over to the Coupang employee the desktop PC, four hard disks and four copies, one graphics card, statements and evidentiary documents. At approximately 6:00 p.m., Coupang delivered the bag containing the devices to the NIS in the lobby of the first floor of the Han Kun law firm building. Coupang handed over the equipment and requested a preliminary investigation, and the NIS responded that they will.

21. NIS immediately departed for the Korean Embassy in Shanghai.

12 월 17 일 중국 현지 시간 오후 4 시경, 쿠팡 직원은 상하이 푸동 공항에 도착하여 혼자 택시를 타고 한쿤 법률사무소로 이동했습니다. 오후 5 시경, EY 와 한쿤은 한쿤 법률사무소에서 용의자의 데스크톱 PC, 하드 디스크 4 개와 복사본 4 개, 그래픽 카드 1 개, 진술서 및 증빙 서류를 쿠팡

직원에게 인계했습니다. 오후 6 시경, 쿠팡은 해당 장비가 담긴 가방을 한쿤 로펌 건물 1 층 로비에서 국정원에게 전달했습니다. 쿠팡은 장비를 건네며 기초적인 조사를 해 달라고 했고, 국정원은 그러겠다고 했습니다. 국정원은 즉시 상하이 주중 한국 영사관으로 출발했습니다.

22. On December 18, at approximately 8:00 a.m. local time, the NIS strongly requested Coupang to secure the suspect's fingerprints of all five fingers on the statements to ensure evidence reliability, out of concern that the Korean police might raise suspicions of evidence tampering. The NIS also requested the exact location of the river where the suspect claimed to have discarded the laptop, and Coupang identified and reported this location. The NIS requested Coupang to search the river for the laptop, and accordingly, Coupang carried out the laptop recovery operation.

12 월 18 일 현지 시간 오전 8 시경, 국정원은 한국 경찰이 증거 조작 의혹을 제기할 것을 우려하여, 증거 신뢰성 확보를 위해 용의자 진술서에 다섯 손가락 지문 날인을 확보할 것을 쿠팡에게 강하게 요청했습니다. 국정원은 또한 용의자가 노트북을 버렸다고 주장한 강의 정확한 위치를 알려줄 것을 요청했으며, 쿠팡은 이를 파악하여 보고했습니다. 국정원은 쿠팡에게 강에서 노트북을 수색할 것을 요청했고, 이에 따라 쿠팡은 랩탑 인양을 수행했습니다.

23. Around 1:00 p.m., Coupang retrieved the laptop and reported this to the NIS.

오후 1 시경, 쿠팡은 노트북을 회수했고 이를 국정원에게 보고했습니다.

24. Around 4:00 p.m., Coupang received the suspect's statements back from the NIS near Han Kun Law Offices and had the suspect affix the fingerprints of all five fingers in the statements.

오후 4 시경, 쿠팡은 한쿤 법률사무소 근처에서 국정원으로부터 용의자의 진술서를 반환받았고, 해당 진술서에 용의자의 다섯 손가락 지문을 날인 했습니다.

25. Around 7:00 p.m., Han Kun Law Offices and EY handed over to Coupang the supplementary statements bearing the suspect's fingerprints and the MacBook Air.

오후 7 시경, 한쿤 법률사무소와 EY 는 용의자의 지문이 날인된 추가

진술서, 맥북 에어를 쿠팡에게 인계했습니다.

26. At around 9:00 p.m., Coupang delivered all evidence to the NIS in the lobby of the first floor of the Han Kun building, after which the NIS returned to the Korean Embassy in Shanghai.

오후 9 시경, 쿠팡은 한쿤 건물 1 층 로비에서 모든 증거물을 국정원에 인계하였으며, 국정원은 상하이 주중 한국 영사관으로 복귀하였습니다.

27. On December 19, at 5:45 p.m., the Coupang employee departed Shanghai Pudong Airport for Korea. The NIS arrived in South Korea at noon on December 20. During the stay in China, meetings between the Coupang employee and the NIS personnel were kept to a minimum; however, this was a measure taken for safety within China, and the retrieval operation was carried out through mutual cooperation.

12 월 19 일 오후 5 시 45 분, 쿠팡 직원은 상하이 푸동 공항에서 한국으로 출발하였습니다. 국가정보원은 12 월 20 일 정오에 한국에 도착하였습니다. 중국에 있는 동안 쿠팡 직원과 국정원 직원의 만남은 최소화하였으나, 이는 중국 내 안전을 위한 조치였으며, 회수 작전은 상호 협력 하에 수행되었습니다.

28. Attached as Exhibit A is a copy of my phone logs with the NIS during the relevant time period.

관련 기간 동안 국정원과 나눈 통화 기록의 사본을 증거물 A 로 첨부합니다.

I hereby swear that the foregoing is true and correct, and I pledge to accept the penalties for perjury should any part of it be false.

본인은 위 내용이 사실임을 선서하며, 만약 거짓이 있을 경우 위증의 처벌을 받기로 서약합니다.

2025. 12. 31. Declarant: [REDACTED]

Exhibit A

(18)	12월 21일		12월 21일
	12월 21일		12월 20일
	12월 20일		12월 20일
(11)	12월 20일		12월 20일
(2)	12월 17일		12월 17일
(7)	12월 16일		12월 16일
	12월 16일		12월 16일
(18)	12월 16일		12월 16일
(4)	12월 15일		12월 16일
(12)	12월 14일		12월 16일
(5)	12월 13일		12월 16일
(2)	12월 12일		12월 16일
(9)	12월 11일		12월 15일
	12월 11일		12월 14일
(3)	12월 11일		12월 13일
	12월 11일		12월 11일
	12월 11일		12월 10일
(3)	12월 10일		12월 8일
(14)	12월 9일		12월 8일
(5)	12월 8일		12월 8일
(2)	12월 7일		12월 6일
(8)	12월 6일		12월 5일
(5)	12월 5일		12월 5일
(3)	12월 4일		12월 5일
(9)	12월 3일		12월 3일
	12월 3일		12월 2일
	12월 3일		12월 2일
			12월 1일

Exhibit 22:
CPNG-HJC119-0001488
Coupang Memorandum Regarding
Recovery of Improperly Accessed Data

Memorandum

Highly Confidential

To: Management

From: Legal

Re: Coupang's Unprecedented Recovery of Improperly Accessed Data and Elimination of Consumer Harm

Executive Summary

Major data breaches have become a defining risk for modern companies. History shows a consistent pattern: once data escapes into criminal or foreign-intelligence channels, it is almost never recovered. Stolen information resurfaces on dark-web marketplaces, circulates indefinitely, and exposes consumers to ongoing harm.

Coupang broke that pattern.

Through disciplined coordination with the National Intelligence Service (NIS), Coupang executed a rapid, exhaustive, and ultimately successful campaign to:

- Identify the breach swiftly.
- Track the improperly accessed data to its source.
- Recover all compromised materials and data.
- Confirm that no data persists on the dark web or in any third-party hands.
- Demonstrate that the attacker no longer maintains any copies.

This memorandum recounts how Coupang achieved a result that is virtually unheard of in modern cybersecurity incidents—and why it stands as a model public-private response.

Background

In 2024, Coupang employed [REDACTED], a Chinese national based in the Seoul office. As the lead developer of a small engineering team, [REDACTED] helped design a backup authentication mechanism intended for use only if the primary login process failed. This backup system relied on a sensitive alphanumeric credential known internally as the Fallback Key. Only a handful of trusted personnel had access to it. [REDACTED] employment ended on December 31, 2024.

Unbeknownst to Coupang, [REDACTED] copied the Fallback Key onto a piece of paper and removed it from the premises before his departure.

2025-12-18T16:46:33 / Internal

Over the following months, unable to secure comparable employment, █ grew resentful. In what he later described as an attempt to prove his continued value to Coupang and to be taken seriously, he used the stolen Fallback Key to generate forged authentication tokens and access user accounts undetected—leveraging his insider knowledge of Coupang’s detection thresholds.

On November 6 and 8, 2025, █ sent cryptic emails to several @coupang.com addresses—some legitimate, some fabricated—suggesting there may have been a breach. One recipient escalated the message to management on November 16, and after investigating and confirming on November 18 Coupang notified authorities immediately. At the time, the threat appeared limited to approximately 4,500 accounts.

On November 25, however, █ sent another anonymous email claiming he had accessed more than 33 million accounts. Coupang again alerted Korean authorities the same day.

The First Encounter with █ and His Initial Declaration

With NIS guidance, Coupang reached out to █ on December 9, informing him that he had been identified as the threat actor and inviting a direct dialogue. █ responded through counsel, Mr. █ who categorically denied wrongdoing and threatened litigation for defamation.

Coupang and NIS remained undeterred. On December 13, Coupang invited █ to review the evidence. After seeing the presentation, █ agreed that █ should do the same. On December 14, █ and █ met at the Shanghai office of Coupang’s counsel. The evidence was overwhelming. █ confessed and executed his first declaration.

The Second Encounter and Initial Device Recovery

On December 15, █ and █ returned to the Shanghai office and surrendered four hard drives and a Windows desktop computer he had used in the unauthorized access. Coupang engaged EY’s forensic specialists to document chain of custody, catalogue the devices, and produce forensic images. These materials were then delivered to NIS at the Korean embassy.

█ also disclosed that he had used a MacBook Air in the attack but stated that he had destroyed it—placing it in a Coupang bag weighted with bricks and throwing it into a nearby river.

Around this time, █ sent another anonymous apology email to help@coupang.com, contradicting his declaration by claiming he had retained a small sample of data. After questioning, he provided additional information before the meeting concluded.

The Third Encounter and Second Declaration

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A third meeting occurred on December 16. Over several hours of structured questioning, ■ provided a full narrative: his motives, the data accessed, the precise hardware used, the technical steps he employed, and confirmation that he acted alone. He then executed a second, far more detailed declaration on December 17.

In this declaration, ■ confirmed that he used only the MacBook Air and desktop PC. When international coverage broke on November 29, he panicked and wiped both machines—erasing data relating to no more than 3,000 accounts.¹ Although he believed the PC wipes were effective, he was uncertain about the MacBook, prompting his attempt to destroy it.

Coupang possessed this information before the National Assembly's December 17 hearing. Although publicly disclosing it would have corrected several false statements made during the hearing, Coupang and NIS agreed that protecting the investigation outweighed rebutting public criticism.

Recovery of the MacBook Air

Recovering the destroyed device became essential. On December 17, Coupang retained a credentialed salvage-diving team and provided them ■ description of the disposal location. Against all expectations, divers recovered the Coupang bag containing the MacBook and the bricks.

EY again performed forensic intake, and Coupang delivered the materials to NIS.

The Fourth Encounter and Third Declaration

Following the recovery, Coupang demanded a fourth meeting. ■ confirmed the MacBook was his and the same device used in the attack. At NIS's direction, Coupang required independent proof of ownership: ■ accessed his iCloud account and produced the serial number, which EY verified against the retrieved device. He executed a third declaration documenting this confirmation.

Coupang reproduced all three declarations and, following NIS's instructions, secured ■ thumbprint on every page and all five fingerprints of his right hand on the final page of each declaration. These were delivered to NIS.

Forensic Evidence Tying ■ to the Attack

1. Link to ■ Customer Account

¹ In his interviews ■ confirmed that he did not retain any user account information beyond the approximate 3,000 accounts and that his script was designed to scrape metadata then delete any data from his system.

Suspicious activity traced to a specific IP address dating back to June 24, 2025 showed a login into a Coupang customer account associated with:

- [REDACTED] personal email (confirmed by HR),
- [REDACTED] personal phone number (confirmed through Korea's Real Name Verification Service),
- A coupon used to purchase two books that HR verified had been issued to [REDACTED] employee memberSRL.


Fintech Operation Engineering / FINOE-247

Request for payment of Coupang monthly membership fee for new expats [REDACTED]

Edit Add comment Assign More Closed

Details

Type: Task
Priority: Minor
Component/s: None
Labels: pii_scanning

Description

Name	Coupang.com ID	Member_srl	Coupay
[REDACTED]	**maskedpersonaldata**	[REDACTED]	
[REDACTED]	**maskedpersonaldata**	[REDACTED]	[REDACTED]

Attachments

[REDACTED]

Additionally, in December 2024, the same IP address accessed another test account named “Test [REDACTED]”—a nickname of [REDACTED] first name.

2. Link to [REDACTED] Insider Knowledge

All suspicious activity relied on 3-day authentication tokens. These tokens can only be created through the backup login process—requiring knowledge of the Fallback Key. No such logins were recorded. The tokens were therefore manually forged. [REDACTED] role as lead developer, his access to the Fallback Key, and his participation in the “signing ceremony” provided him the requisite knowledge.

3. External Evidence

Additional corroboration included:

- Malicious activity beginning within a week of [REDACTED] departure,

2025-12-18T16:46:33 / Internal

- [REDACTED] authorship of an internal memo recommending periodic key rotation (which he knew had not occurred),
- The deletion of his LinkedIn experience—and then his entire profile—after reports stated that a China-based former employee was responsible.

Together, the forensic and external evidence established [REDACTED] as the sole perpetrator.

An Unprecedented Success

Coupang's coordinated campaign with NIS produced a result rarely seen in modern cybersecurity: the full recovery of improperly accessed data and the elimination of all consumer harm. No data was sold, leaked further, misused, or circulated on the dark web.

This outcome was not achieved by chance. Coupang invested thousands of staff hours and millions of dollars, dispatching teams to China, coordinating real-time with NIS, retaining elite forensic specialists, and pursuing every evidentiary lead to completion.

The Korean public can take confidence in knowing that Coupang acted swiftly, transparently with authorities, and decisively at every stage. Our response exemplifies a model of public-private coordination worthy of study and replication.

Exhibit 23:
CPNG-HJC119-0001509
January 30, 2026 Interrogation of Harold
Lynn Rogers

I, [REDACTED] certify that I am competent to translate from Korean into English and that the translation of the below document is true, accurate, and complete to the best of my knowledge. If you have any questions regarding the translation, please contact me at the email address below.

Typed Name: [REDACTED]

Qualifications: Professional Interpreter with an MA in Korean-English Interpretation, Seoul, Korea

Email: [REDACTED]@coupang.com

Date: February 14, 2026

Confirmation of Notification

Name: Harold Lynn Rogers

Residence Number: [REDACTED] (48 years old)

Residential Address: [REDACTED]

I hereby confirm that, prior to having been questioned in the Interview Recording Room #3 of the Cybercrime Investigation Division of the Seoul Metropolitan Police Agency at approximately 14:16 on January 30, 2026, I was notified that I have the right to seek relief from the prosecutor if there is any violation of laws or regulations, infringement of human rights, or material abuse of investigative authority in the course of the investigation.

January 30, 2026

Signature of the above-named person affixed

When questioning the above suspect, we notified the suspect of the foregoing.

* Reason for refusal to affix name and seal or to sign:

January 30, 2026

Seoul Metropolitan Police Agency

Judicial Police Officer, Senior Inspector [REDACTED]

Suspect Interrogation Record (with Interpretation)

Suspect: Harold Lynn Rogers

With respect to the case concerning the alleged destruction of evidence involving the above-named person, in the Interview Recording Room #3 of the Cybercrime Investigation Division of the Seoul Metropolitan Police Agency at approximately 14:16 on January 30, 2026, a judicial police officer, *i.e.*, Senior Inspector [REDACTED], involved another judicial police officer, *i.e.*, Senior Inspector [REDACTED], in the interrogation and confirmed that the person questioned is without doubt the suspect, as set forth below.

Question: Please state your name, resident registration number, occupation, residential address, registered domicile, etc.

Answer: My name is Harold Lynn Rogers.

My resident registration number is [REDACTED] and my passport number is [REDACTED]

My occupation is an attorney-at-law and I serve as the Chief Executive Officer of Coupang Corp., as well as the General Counsel and Chief Administrative Officer of Coupang, Inc.

I do not recall my residential address precisely. [REDACTED]
[REDACTED]
[REDACTED]

My registered domicile is [blank] and my office address is [REDACTED]
[REDACTED]

My contact information is as follows: home telephone number: [blank]; mobile phone number: [REDACTED] office telephone number: [blank]; and e-mail address: [REDACTED]@coupang.com.

The judicial police officer explained the summary of the alleged offense to the suspect and, pursuant to Article 244-3 of the Criminal Procedure Act, informed the suspect that he has the right to refuse to make statements and the right to receive assistance, including the participation of counsel, in terms of the questioning by the judicial police officer, and confirmed whether the suspect wishes to exercise such rights.

Confirmation of Notification of the Right to Remain Silent and the Right to Counsel

1. You may choose not to make any statement at all, or to refrain from answering individual questions.
1. Even if you choose not to make a statement, you will not suffer any disadvantage as a result.
1. Any statement made after you have waived your right to refuse to make statements may be used as evidence of guilt in court.
1. When you are questioned, you have the right to receive the assistance of counsel, including having an attorney present during the questioning.

Question: Has the suspect been informed of the above rights?

Answer: Yes.

Question: Will the suspect exercise the right to refuse to make statements?

Answer: I will not refuse to make statements; however, under U.S. law, there may be certain questions relating to Coupang, Inc. that I may not be able to answer.

Question: Will the suspect exercise the right to receive the assistance of counsel?

Answer: Yes.

Accordingly, the judicial police officer proceeded to question the suspect regarding the alleged facts as follows.

Question: Does the suspect wish to have the interrogation video-recorded?

Answer: No, I do not wish to have it video-recorded.

Question: Pursuant to the *Act on the Prohibition of Discrimination against Persons with Disabilities and Remedies Against Infringement of Their Rights*, the police are required to confirm whether a person subject to investigation has a disability that makes communication or expression of intention difficult and to take necessary measures to guarantee due rights.

Does the suspect have any difficulty in hearing and answering questions?

Answer: Other than not being able to speak Korean, there is none.

Question: Pursuant to the *Act on Guarantee of Rights of and Support for Persons with Developmental Disabilities*, if a suspect is a person with a developmental disability, the suspect may be questioned by a designated police officer and may request the presence of a trusted person.

Does the suspect have any intellectual disability or autism spectrum disorder?

Answer: No.

Question: Has the suspect received, from the responsible investigator, a copy of the *Guidelines on Compliance with Prohibited Conduct for Police Interpreters*, and been informed of prohibited acts, such as receiving referrals to attorneys from an interpreter or seeking legal advice from an interpreter?

Answer: Yes.

As the suspect presented his passport, the investigating officer confirmed that there is no issue regarding the suspect's identity.

Question: Who are the attorneys participating in today's interrogation?

Answer: Attorneys [REDACTED] (Bar No. [REDACTED]), [REDACTED] (Bar No. [REDACTED]), and [REDACTED] (Bar No. [REDACTED]) of [REDACTED] LLC.

The identification of each attorney was verified and no irregularities were found.

Question: Who are the accompanying people?

Answer: [REDACTED] and [REDACTED] of [REDACTED] of the U.S. are the attorneys retained by Coupang, Inc. Attorney [REDACTED] is a U.S.-licensed attorney at [REDACTED].

Applications for the presence of each of the trusted people were received and their identities were verified.

The investigating officer informed the suspect that, because the people participating as trusted people are not formally appointed counsel, statements by other people than the interpreter during the interrogation would be limited to opinions conveyed through the lead counsel.

Notice was provided that, due to space limitations in the interrogation room, among multiple trusted people accompanying the suspect, only one trusted person, other than the interpreter, would be permitted to participate in the interrogation, and the remaining people would wait in the corridor in front of the interrogation room or in an adjacent room, and that the trusted person participating in the interrogation may be replaced by another from time to time.

Question: Who is the interpreter accompanying the suspect for today's interrogation?

Answer: [REDACTED]

The identity was verified with no irregularities found.

Notice was provided that, as there is an investigation interpreter appointed by the investigative team (*i.e.*, [REDACTED]), the interrogation record would reflect the interpretation provided by the investigation interpreter; however, if the suspect's interpreter presents opinions requesting corrections, such requests would be reviewed and reflected in the record, if accepted.

Notice was provided that unauthorized audio recording is not permitted.

Question: Do you know the reason you are being questioned today?

Answer: To my understanding, a certain law firm filed a criminal complaint against several individuals, including myself, and I am therefore being questioned as a suspect. I understand that the alleged offenses include obstruction of business. The law firm that pursued this complaint has filed multiple lawsuits against the company, all of which it has lost. To my knowledge, this law firm also has close ties with the Korean Confederation of Trade Unions. I also understand that, when this complaint was filed, it was based solely on the information reported by the media.

Question: Are you aware that, in connection with the large-scale personal data leakage involving Coupang Corp. in 2025, a complaint was filed against you on the grounds that, during the process in which Coupang directly contacted the individual responsible for the data leak and retrieved the devices used in the leak, there was alleged destruction of evidence and that the content of the subsequently announced internal investigation findings was allegedly unlawful?

Answer: Yes.

(Preliminary identification questioning)

Question: What is your current nationality?

Answer: United States.

Question: What is your family status?

Answer: I am married and I have four children.

Question: Do your family members reside together with you in Korea?

Answer: No. My wife and one child are in Korea and three other children are in the United States.

Question: Where is your residence in the United States?

Answer: [REDACTED]

Question: What is your monthly salary and assets?

Answer: This information can be verified based on disclosures filed with the U.S. Securities and Exchange Commission (SEC). I do not recall the exact details.

Question: What is your educational background?

Answer: Juris Doctor (J.D.), Harvard Law School.

Question: Do you have any prior criminal record in Korea or the United States?

Answer: No.

Question: Do you have any religion?

Answer: I am a member of the Church of Jesus Christ of Latter-day Saints.

Question: What is your current health condition?

Answer: It is good. There is no problem in undergoing the interrogation.

Question: Please describe your professional career following your highest level of education.

Answer: I worked for one year as a law clerk in a federal judge's chamber. I then worked for approximately ten years as a partner attorney at Sidley Austin LLP. In 2016, I served as Senior Vice President and Chief Ethics & Compliance Officer at Millicom International. In January 2020, I joined Coupang, Inc. as Chief Administrative Officer. From 2021, I served as General Counsel of Coupang, Inc., and since December 2025, I have served as Chief Executive Officer of Coupang Corp.

Question: Please explain how you came to work with Coupang, Inc. in 2020.

Answer: A friend contacted and introduced me to Chairman Kim Bom-suk. After interviewing with Chairman Kim, I joined the company.

Question: Are you currently holding concurrent positions at the U.S. and Korean entities of Coupang?

Answer: Yes, since December 2025. Prior to that, I worked only at Coupang, Inc.

Question: What are your current responsibilities at Coupang, Inc. in the United States?

Answer: As a Chief Administrative Officer, I am responsible for administrative management, including matters related to human resources and compensation. As a General Counsel, I oversee all legal teams. I handle matters relating to corporate governance, U.S. law, regulatory authorities, and legal issues arising in various jurisdictions worldwide where Coupang, Inc. operates its business.

Question: What are your current responsibilities at Coupang Corp. in Korea?

Answer: I became the Chief Executive Officer of Coupang Corp. as of December 10, 2025. I can say this role encompasses all the matters for which Coupang Corp. is accountable. Since my appointment, there have been many response-related matters, and I have not been able to engage extensively in other work.

Question: Do you have a nickname used within the company?

Answer: HL.

Question: What type of business does Coupang conduct?

Answer: Coupang operates businesses including e-commerce, video streaming, food delivery, and financial services. It operates globally, including in Korea, Taiwan, Japan, the United Kingdom, and the United States. Korea is our largest market, but we conduct business in approximately 190 countries worldwide.

Question: Are there any subordinate employees who directly carry out your instructions or act as your aides?

Answer: U.S. companies do not generally operate under a hierarchical command-and-control structure. Jack Welch, the executive who once led GE, established a system that delegated responsibility downward so that each team could operate with autonomy and accountability, and since then, many companies have adopted a horizontal way of working.

Question: Do you receive work-related reports from someone and also report to someone else?

Answer: While there is an organizational structure within the company, it is not a system in which we carry out tasks based on direct orders from a specific individual or seek approvals. Our culture is that teams are given missions and carry them out autonomously.

Question: Aren't there people who report work-related matters to you?

Answer: Executives inform me of progress on various matters, but it is not a process of seeking my permission or approval. Teams carry out their assigned missions and report significant outcomes, but they do not report day-to-day tasks to me for my approval.

Question: Is this also the case in terms of crisis response?

Answer: Yes. Even in crisis situations, teams proceed with their work based on the authority they have to make decisions. In very exceptional cases, matters may be reported to me, but generally work is handled by the respective teams.

Question: What is your relationship with Chairman Kim Bom-suk of Coupang, Inc.?

Answer: Kim Bom-suk is the Chief Executive Officer of Coupang, Inc. and I serve as the General Counsel. In that capacity, I report to him and similarly report to the board of directors.

Question: If you were recruited by Coupang in 2020, that appears to coincide with the period when Coupang was preparing for its listing on the NYSE. Were you recruited primarily to lead work related to the IPO?

Answer: Not specifically for that reason. I did not join the company as General Counsel from the outset. However, I did provide support for work related to that matter. At the time I joined the company, a decision regarding the IPO had not yet been made.

Question: To summarize, as the person overseeing all legal matters of Coupang, Inc. in the United States, you receive reports on major issues, and as Chief Administrative Officer, you also receive reports on major matters. Is that correct?

Answer: With respect to Coupang, Inc., yes.

Question: Who is the decision-making authority for major matters at Coupang, Inc.?

Answer: It depends on the nature of the issue.

Question: Is it not the case that, for any major matter, Kim Bom-suk and the suspect always participate?

Answer: It is difficult to give a general answer. It depends on the specific matter.

Question: It has been confirmed that Coupang, Inc. is governed by the laws of the State of Delaware, and thus Chairman Kim Bom-suk's voting rights are set at 29 votes per share. Is that correct?

Answer: Yes.

Question: As a result, it is known that Chairman Kim Bom-suk alone effectively holds exclusive decision-making authority. Is that true?

Answer: No. Under U.S. law, matters must go through the board of directors, and they must undergo a review as to whether they are legally permissible. Exclusive decision-making is not possible.

Question: Conversely, is it possible for decisions contrary to Chairman Kim Bom-suk's intent to be made through the company's decision-making process?

Answer: Yes, that is entirely possible.

Question: What matters are resolved by the board of directors?

Answer: As a publicly listed U.S. company, various issues may be decided by the board. Under U.S. law, there are matters that must be ratified by the board.

Question: What is the relationship between Coupang Corp. in Korea and Coupang, Inc. in the United States?

Answer: Coupang Korea is one of the many subsidiaries of Coupang, Inc.

Question: Is it correct that Coupang, Inc. owns 100% of the shares of Coupang Corp.?

Answer: Yes, that is correct.

Question: Then, in practical terms, would it be fair to say that Coupang Corp. in Korea is controlled by Coupang, Inc. in the United States?

Answer: Under U.S. and Korean law, I understand that this is not the case. Many matters decided at Coupang Korea are determined by the discretion of the Korea representative director, and I understand this was also the case during the tenure of former CEO Park Dae-jun.

Question: Are major matters arising at the Korean entity reported to the U.S. entity?

Answer: Generally speaking, that may be the case, but I think it depends on what the specific issues are. Because the company does not have a fully organized reporting structure in place, there are cases where matters—even those considered major issues in Korea—are not reported to Coupang, Inc.

Question: If a major matter is reported by the Korean entity to the U.S. entity, is it correct that the U.S. entity provides certain guidance regarding decision-making?

Answer: It depends on the matter. It depends on the specific issue involved.

Question: Please explain what departments exist within Coupang, Inc. in the United States.

Answer: There are departments such as Legal, Operations, and Compliance.

Question: In the organizational chart submitted by Coupang Corp., there is a department labeled "US Legal." Is this department part of the Korean entity or the U.S. entity?

Answer: It is a department of Coupang, Inc.

Question: What functions does the US Legal department perform?

Answer: It handles various legal issues, matters involving regulatory authorities, and compliance

issues. It also reviews matters where U.S. law affects operations in other countries. For matters considered significant under U.S. law, there are statutory requirements, and in such cases US Legal becomes involved.

Question: Do you know who is the head of the US Legal department?

Answer: There is no single head; responsibilities are divided by area.

Question: I understand that [REDACTED] is the head. Is that not correct?

Answer: He does not oversee all matters; there is a person responsible for governance-related legal matters, and there is another who handles litigation. [REDACTED] is in charge of several areas, including U.S. employment-related matters, some litigation, and some compliance matters, but he does not handle all such matters.

Question: Approximately how many personnel are there in the US Legal department?

Answer: I genuinely do not know.

Question: Is [REDACTED] affiliated with US Legal?

Answer: He is part of the legal team of Coupang, Inc.

Question: Where does he work and what duties does he perform?

Answer: He handles various global legal matters, including patents, copyrights, and other issues.

Question: Is he responsible for specific regions?

Answer: He covers the Taiwan, Japan, and China regions.

Question: Is [REDACTED] also part of the legal team of Coupang, Inc.?

Answer: Yes. He oversees global litigation-related matters.

Question: Do “Coupang, Inc. Legal” and “US Legal” refer to different functions?

Answer: Coupang, Inc. Legal is at the top level, and US Legal is subordinate to it. Their responsibilities overlap depending on the matter.

Question: Does [REDACTED] scope of responsibility have any geographic limitation?

Answer: It is not limited to particular regions. He handles litigation-related issues globally.

Question: In handling legal issues related to Coupang’s U.S. entity, does the company receive support from external attorneys or law firms in addition to internal departments such as US Legal?

Answer: Yes. Kirkland & Ellis is one of them. There are multiple legal advisors.

Question: What is the difference between the responsibilities handled by the internal legal team and those handled by external law firms?

Answer: It depends on the situation. For example, when there is no internal expert with respect to a particular issue and assistance is needed, we utilize external legal counsel.

Question: Coupang also has an entity in China, correct?

Answer: Yes, that is correct.

Question: Do you know the name of the China-based entity?

Answer: I do not know the exact legal name. I generally refer to it as “Coupang China.”

Question: Do you know who is responsible for the China entity?

Answer: There should be a director, but I do not know who that person is specifically. I would need to check the company records.

Question: What type of business does the China entity engage in?

Answer: It handles global sourcing operations and also conducts technology development–related work.

Question: Is it correct that the nature of its business differs from that of Coupang Corp. in Korea?

Answer: Yes. Unlike Taiwan and Japan, the China entity does not conduct consumer-facing business.

Question: What do you mean by “global sourcing operations”?

Answer: As with most companies engaged in overseas distribution, it involves purchasing goods in China and selling them abroad.

Question: Do you receive reports regarding the operations of the China entity?

Answer: If a matter arising at the China entity is sufficiently serious to be reported to Coupang, Inc., then I would become aware of it.

(Coupang Personal Data Leakage Incident)

Question: You are aware of the personal data leakage incident discovered and reported by Coupang Corp. around November 2025, correct?

Answer: Yes.

Question: Is it correct that Coupang first became aware of the leakage of 4,536 individuals’ personal data on November 19 and 20, 2025, and later, around November 26, 2025, became aware of the leakage of approximately 33 million individuals’ personal data for the second time?

Answer: Yes, that is correct. However, those figures were based on the statements made in the threat actor’s anonymous email.

Question: Are you saying that these figures were not based on Coupang's own investigation, but rather on what [REDACTED] stated?

Answer: I was not directly involved in this matter at the time, but as I understand it, the forensic investigation had not yet been completed at that stage, and the figures were calculated based on the numbers mentioned in the email sent by the leaker. I understand that those figures were later verified through forensic results.

Question: When did you become aware of this data leakage incident?

Answer: I do not recall the exact timing. However, I recall that I was informed around the time the matter was reported to the relevant authorities. I do not remember the exact timing of the report.

Question: Are you saying that you became aware of it shortly before the public announcement?

Answer: I recall that I became aware before the report on the 33 million cases.

Question: Then were you unaware at the time of the initial leakage involving approximately 4,500 individuals?

Answer: I did become aware of the leakage involving approximately 4,500 individuals at some point, but I do not remember exactly when.

Question: From whom and on which details did you receive reports regarding the data leakage incident?

Answer: I believe I received the report from the CISO, [REDACTED]

Question: What exactly were you told in that report?

Answer: I do not remember precisely, but I believe I was informed of the fact that an email had been received, that the leaker made certain claims in that email, the scale of the leakage alleged by the leaker, and the need to report the incident to Korean government authorities.

Question: After receiving that report, what actions did you take?

Answer: I did not take any actions myself. Coupang's Korean entity took the initial response.

Question: Then, even if you were not involved, were any actions taken internally by Coupang, Inc.?

Answer: Because this was an incident that occurred at Coupang Korea, actions were taken by Coupang Korea, and there were no actions taken by Coupang, Inc. at the initial stage.

Question: If you received a report regarding the incident, did you not provide any guidance on how to respond?

Answer: There are teams within Coupang Korea that handle matters of this nature. I may have conveyed some opinions, but each task was handled by the responsible department within the Korean entity.

Question: Even if not yourself, did Chairman Kim Bom-suk or other executives of Coupang, Inc. become involved and provide guidance on how to respond?

Answer: Generally, if a matter is considered important, I would report it to the board of directors, including the Chairman, so I would have reported this matter, but I do not recall the specific details of that report.

Question: So you are saying that after receiving a report regarding the hacking incident, you reported it to the Chairman and the board of directors?

Answer: Yes. I did so at some point, but I do not remember the timing or the substance of the discussions.

Question: You stated earlier that Korea is Coupang's largest market, and given that a data leakage involving at least 33 million records is extremely serious in scale, it would be expected that this matter was discussed in considerable depth. Do you not recall those discussions?

Answer: I do not recall the detailed discussions that took place in November. I have handled many matters since then. However, as this was an important issue, I believe I would have reported it to the board.

Question: If you reported it to the Chairman and the board, would there not be written records of the content of those reports and the results of the discussions?

Answer: Yes. Some records may exist pursuant to U.S. law; however, those materials were prepared based on legal advice from U.S. counsel and are protected by attorney-client privilege. They therefore cannot be disclosed. This applies both in the United States and in Korea.

Question: To summarize, Chairman Kim Bom-suk or the board of directors received reports regarding the hacking incident that occurred at the Korean entity and discussed the matter, and there are the results of the discussions, but they cannot be provided to the Korean investigative authorities due to U.S. law. Is that correct?

Answer: Yes, that is correct.

Question: Does that mean you cannot provide not only documents, but also testimony?

Answer: I cannot discuss them with anyone outside the company.

Question: Earlier you stated that you do not remember the details. Is it that you do not remember, or that you are unable to testify?

Answer: I do not remember the specific details, and I am also unable to testify regarding them.

Question: After those discussions, did Coupang, Inc. provide any guidance or instruction to Coupang Corp. in Korea?

Answer: Because this was a matter concerning Coupang Korea, the response was handled by Coupang Korea. As I recall, discussions did take place at the U.S. entity level, but no instructions were given to the Korean entity.

Question: Even if not directives, is it correct that Coupang, Inc. and Coupang Korea discussed how the matter should be handled?

Answer: For example, efforts to remediate vulnerabilities in Coupang's internal systems were not handled by the U.S. entity but were directly carried out by Coupang Korea. This was a responsibility that Coupang Korea was required to perform on its own and did not require direction from Coupang, Inc.

Question: Then did the U.S. entity become involved in the process of notifying customers and making public announcements regarding the leakage?

Answer: Yes, concerning the 33 million individuals. As for the notifications you mentioned, I recall reviewing them from the perspective of the U.S. legal team to ensure that there would be no issues under U.S. law.

Question: What about the approximately 4,500 individuals?

Answer: Because the scale of that leakage was small, I do not recall whether I reviewed it or not.

Question: The notifications you just mentioned (that you reviewed)—do they refer to disclosures made by the U.S. entity in the United States, or do they include notices posted by Coupang Korea on its website or sent to customers?

Answer: Both are correct.

Question: In the early stage of the personal data leakage incident, Coupang disclosed the incident using the term “exposure” rather than “leak,” and later changed the terminology to “leak” after it was pointed out by the Personal Information Protection Commission, right?

Answer: I am aware of that.

Question: In your view, what is the difference between a personal data “leak” and “exposure”?

Answer: I am not a technical expert, but based on the explanation I received, the incident was technically described as an exposure. That is because someone accessed or viewed the data, but the data was not transferred outside the system, which is why it was technically described as an exposure. However, for reasons I do not fully understand, the Personal Information Protection Commission instructed us to revise the terminology, and we complied.

Question: If you reviewed U.S. law, is there also a distinction between “leak” and “exposure” under U.S. law?

Answer: I am not an expert in information security law, so I do not know in detail. I only understood what was explained to me by the information security team. However, under U.S. law, I believed that incidents should be described in the most technically accurate manner possible.

Question: Then, it appears that the use of the term “exposure” rather than “leak” resulted from review by the U.S. entity, correct?

Answer: The U.S. legal team did not review the difference in terminology between “leak” and “exposure.” Instead, based on the technical team’s use of the term “exposure,” a review was conducted as to whether the relevant announcement could violate U.S. law. The review was about whether there could be any issues under U.S. law.

Question: Then was the decision to describe it as “personal information exposure” not the intention of the U.S. entity?

Answer: No. I am not sure why you would think that.

Question: In Korea, such terminology is not commonly used.

Answer: I understood it purely as a technical term.

Question: Was the term chosen because, under U.S. law, “personal information exposure” and “leak” may be treated differently with respect to civil liability?

Answer: To my knowledge, that is not the case. The term “exposure” that I was told about was the term used by the technical teams in both Korea and the United States. In addition, under current U.S. law, the personal information leaked this time does not constitute sensitive information, and therefore is not related to the civil liability you are referring to. While I cannot predict what kind of civil liability might arise, the information leaked this time is not sensitive information. Names, addresses, email addresses, phone numbers, and small-scale items such as shared building entrance codes are not regarded as sensitive information under U.S. law. I understand that, in the SKT case, highly sensitive information was leaked, and in such circumstances legal liability would arise. However, the Coupang incident does not include such sensitive information.

At approximately 16:25, a brief recess was taken.

At approximately 16:37, the examination resumed.

Question: You stated earlier that your health condition today is fine. Since you are appearing voluntarily today, is there any time limitation on how long you can participate in the examination?

Answer: I would appreciate it if you could let me review the record after the examination concludes at 9 p.m.

Question: If it reaches 9 p.m. and there are still some remaining questions, would it be acceptable to ask additional questions?

Answer: I hope the examination can proceed as quickly as possible, and if some questions remain, I am fine with proceeding with a bit more examination so that we can complete it today as much as possible.

Question: Do you know what constitutes a “breach incident” under the *Korean Information and Communications Network Act*?

Answer: I have only a general understanding and am not well versed in Korean law.

Question: If a hacking incident like this occurs, do you know which department of the Korean entity responds and how?

Answer: I am not well aware of whether there is a specific response protocol.

Question: You understand it generally involves technical analysis, litigation response, and government relations, correct?

Answer: It seems generally correct.

Question: Are you aware that, under the *Information and Communications Network Act* of Korea, when a breach incident occurs, investigations are conducted by the Korea Internet & Security Agency (KISA) and/or the Ministry of Science and ICT?

Answer: I understand that reports are made to KISA, the Personal Information Protection Commission, and the Ministry of Science and ICT.

Question: And you are aware that investigations proceed thereafter?

Answer: I became aware of that as a result of this incident.

Question: Are you aware that the Minister of Science and ICT may order the preservation of materials necessary for the investigation of a breach incident?

Answer: I am not certain when I heard this precisely, but I understand that a notice to preserve data was issued.

Question: Did you become aware of this after assuming the position of representative director?

Answer: Yes.

Question: Prior to that, while working at the U.S. entity, did you ever receive reports on this matter?

Answer: I do not recall, but it does not appear to be something I was reported on during my time working at the U.S. entity.

Question: With respect to the Coupang personal information leak, were there any online information-sharing or reporting channels, such as group chats, in which you participated?

Answer: No. A task force was not formed, and while I do exchange messages in group chats or private conversations generally, I did not join any chat rooms established for responding to this incident.

(Regarding Appointment as Representative Director)

Question: You assumed the position of representative director of Coupang Corp., the Korean entity, on December 10, 2025, correct?

Answer: Yes.

Question: What was the reason for the resignation of the former representative director, Park Dae-jun?

Answer: As I understand it, he resigned due to political pressure following the occurrence of this incident.

Question: Are you saying that he personally felt pressure, or that there was separate pressure for him to resign?

Answer: As I understand it, he felt external pressure and decided on his own that he should resign. Coupang, Inc., however, wanted him to continue working, as he had been performing his duties well. The political reaction to other companies' data leakage incidents differed from the reaction to

Coupang's incident. The political response toward Coupang was much more severe than we expected, which was very surprising to us.

Question: Why were you appointed as representative director?

Answer: Former CEO Park Dae-jun resigned, and since I was familiar with legal matters and the business, it was natural for me to become the successor.

Question: When was it first decided internally to appoint you as representative director?

Answer: Park Dae-jun resigned on December 10, and discussions took place at Coupang, Inc. in relation to that resignation. At that point, it was decided that I would become the representative director.

Question: What procedures were involved in that decision-making process?

Answer: There was no particular formal procedure; the appointment was made through designation by the company's leadership.

Question: What do you mean by "leadership"?

Answer: Kim Bom-suk and other senior leaders would have been involved.

Question: Is that different from the board of directors?

Answer: I do not recall having prior discussions with the members of the board of directors.

Question: By "senior leaders," do you mean leaders of various functional areas within Coupang, Inc.?

Answer: Yes.

Question: With respect to the Coupang personal information leak, did you receive any information or instructions directly handed over by former CEO Park Dae-jun?

Answer: Unfortunately, because we were in the midst of crisis response, I had to assume the role and respond to the crisis without going through a typical handover process.

Question: As representative director, you received an overall briefing on the data leakage incident, correct?

Answer: There was no briefing process. I assumed the role of representative director directly in the midst of crisis response and was immediately occupied with matters such as preparing for National Assembly hearings.

Question: In order to respond to the National Assembly, wouldn't you have needed reports on the overall operations?

Answer: There was no formal procedure. For each stage, I received the necessary information from the relevant departments.

Question: If you received the necessary information, which departments or individuals primarily reported to you?

Answer: I received information necessary for National Assembly responses, etc. from the information security team, the privacy team, the privacy legal team, and others. I do not remember everything.

Question: With respect to the Korean entity's operations, do you commute to the office or work remotely?

Answer: I do both.

Question: What office space do you use for work related to the Korean entity?

Answer: The office uses a smart office structure, and when I come to the office, I mainly work in meeting rooms on the [REDACTED] floor.

Question: What means do you use for work-related internal communications?

Answer: Verbal communication, Slack, email, Signal, and phone calls.

Question: Are the phone number and email address you use in Korea for work-related purposes the same as those stated in your initial statement?

Answer: Yes.

Question: Since the occurrence of the data leakage incident, have any electronic devices you use for work purposes been added, discarded, or replaced?

Answer: No.

(Relationship with the National Intelligence Service)

Question: Based on Coupang Corp.'s public statements and your testimony at the National Assembly hearings, it appears that Coupang has publicly stated that the contact with the leaker in the 2025 Coupang personal information leak case and the recovery of the devices used in the leak were carried out pursuant to directives from a government agency. Is that correct?

Answer: Yes. I testified using the term "directive," which in Korean is "directive."

Question: By "government agency", do you mean the National Intelligence Service of the Republic of Korea?

Answer: Yes.

Question: Do you know when the National Intelligence Service (NIS) first contacted Coupang regarding contact with the personal information leaker and the recovery of the devices?

Answer: I do not recall exactly, but I was reported on the general progress by the relevant team at Coupang Corp.

Question: Did you receive the report before assuming the position of representative director of Coupang?

Answer: Yes. After the threat actor was identified as being located in China, the matter was reported to the legal team of Coupang, Inc., as the issue had implications beyond Korea.

Question: It is understood that the perpetrator of the leak was identified internally at Coupang around late November. If so, you would have received the report at that time, correct?

Answer: Yes. I believe that around that time I was informed that the leaker was Chinese.

Question: And you were also informed about the contact with the NIS thereafter, correct?

Answer: Yes. I do not remember the exact sequence, but I understand that around that time the NIS contacted the company.

Question: You stated that a relevant team within the Korean entity reported it. Do you know which department and which individual made the report?

Answer: I do not know exactly which individuals within Coupang Corp. and the Inc. legal team were involved in the communications. Based on my assumption, it was likely reported by either Vice President of Legal Affairs [REDACTED] or someone from the Korean entity.

Question: At the time of the initial report, who within the Coupang, Inc. legal team received the report from the Korean entity and then reported it to you?

Answer: I do not remember precisely, but I believe it was either [REDACTED] or [REDACTED]
[REDACTED]

Question: Who was responsible for communicating with the NIS?

Answer: I was not directly involved, so I do not know exactly. However, by the time I received the report later, I heard that an employee of Coupang Corp. named [REDACTED] directly communicated with the NIS.

Question: Please state what you remember about the content of the reports you received.

Answer: My understanding is that the NIS first contacted Coupang Corp., probably Park Dae-jun, and [REDACTED] then became the point of contact. After Coupang received an official letter from the NIS describing the company's obligation to cooperate, I understand that [REDACTED] met with the NIS and received instructions.

Question: What was the content of the instructions that [REDACTED] received from the NIS?

Answer: As I understand it, there were multiple elements. These included providing information about the leaker, instructing the company to contact the former employee (the perpetrator of the leak), guidance on what language to use when making contact, and later instructions for [REDACTED] to travel to China to recover the devices. I understand that there were numerous phone calls and meetings regarding these matters.

Question: Did you give any instructions in relation to these matters?

Answer: Prior to assuming the role of representative director, I only received reports on these matters. Subsequently, I learned that the legal team of the U.S. entity engaged the law firm Kirkland & Ellis. This was because it was unclear whether the perpetrator was cooperating with the Chinese government or what issues might arise within China, and there was a possibility of international implications. Taking those risks into account, Kirkland & Ellis was retained and advice was sought from the firm and relevant departments.

After I became the representative director, I was informed that the NIS had given [REDACTED] specific instructions to travel to China. I believed that this posed significant risks both to the company and to [REDACTED], and I expressed my concerns. I told the legal team of Coupang Corp. not to send [REDACTED] to China. However, the Korean entity's legal team said that this was an obligation that had to be complied with, and told [REDACTED] that he had to go to China, and I understand that [REDACTED] himself was also concerned about this. I believed that the risks were high, as [REDACTED] would effectively be engaging in intelligence-related activities in China, but we concluded that we had an obligation to go as directed by the NIS. The Korean legal team sought advice from two law firms, and both advised that the instructions of the NIS should be followed.

Question: Which two law firms were those?

Answer: To my knowledge, they were Shin & Kim and Kim & Chang.

Question: Are documents related to their legal advice available for submission?

Answer: I will consult with external legal counsel and then provide a response.

Question: Are matters involving contact with the NIS and receipt of its instructions reported to Kim Bom-suk or other executives of Coupang, Inc.?

Answer: I do not remember specifically what I reported and when, but I continuously provided updates on matters related to the data leak incident.

Question: Does that mean this matter was included in those updates?

Answer: I do not remember precisely with respect to this matter, but I provided a general update on the matter.

Question: As I see it, if the instructions from the NIS were risky, you normally would have reported them, right?

Answer: I do not remember specifically, but I likely would have reported them.

Question: Were there any instructions from Kim Bom-suk or other executives in response to that?

Answer: I do not recall Coupang, Inc. providing any guidance. I understand that the instructions from the NIS were mandatory, leaving no room for us but to comply with them.

Question: Were you informed of the specific reasons why the NIS's request had to be complied with, or were you simply told that it had to be followed?

Answer: As I was informed, based on the laws cited in the official letter issued by the NIS, there was a legal obligation to comply.

Question: Did you, any employees of the U.S. entity, or Kirkland & Ellis review the contents or binding force of that official letter?

Answer: No. This was an issue concerning Korean law, and we relied on the expertise and advice of Korean legal professionals.

Question: Did you or any employees of the U.S. entity give instructions to cooperate with the NIS in accordance with the contents of that official letter?

Answer: This was not a matter requiring instructions. It was a matter involving a legal obligation to comply with the NIS.

Question: You assumed the position of representative director on December 10 and was registered on December 11. This timing coincides with when related personnel of Coupang Corp. first began contacting [REDACTED]. Was this task related to your appointment as representative director?

Answer: I understand that it was not related to my appointment as representative director.

Question: While Coupang might not have had grounds to refuse providing personal details of the leaker or information regarding the circumstances of the leak, did you not question whether there were legitimate grounds to refuse direct contact with the leaker or recovery of the devices used in the crime? Did you not deem that the request was excessive?

Answer: I am not an expert in Korean law. I relied on the advice I received from Korean legal counsel on this matter. Based on my experience, compliance with Korean regulators is not optional. We are currently under investigation by more than ten regulatory authorities, and my understanding is that any directives made by regulatory agencies must be complied with.

Question: You are also a legal professional, having graduated from Harvard Law School. Setting aside Korean law, from the perspective of general legal principles, [REDACTED] who traveled to China to carry out this task, reportedly feared greatly for his personal safety while in China. I heard that there were also a lot of concerns raised within Coupang even before the trip. Does Coupang have an obligation to follow the NIS's directives even at the risk of life or bodily harm? Did you not question this?

Answer: As you stated, there were serious concerns. I was also opposed to it. However, the Korean legal team stated that there was no alternative, and therefore we proceeded accordingly.

Question directed to Attorney [REDACTED]

Question: Is it true that such legal advice was provided?

Answer: I did not personally handle the matter, but my understanding is that the advice was not that one must go to China. Rather, it was advice to the effect that, absent legitimate grounds, the NIS's requests—as set out in its official letter—must be complied with.

Question again directed to the suspect.

Question: To summarize, the substance of the legal advice was that there was an obligation to provide information to the NIS, and is it that Coupang internally interpreted this obligation as extending to traveling to China?

Answer: I did not make any judgment on the matter. The legal team made that determination.

Question: To further clarify, is it correct that, based on external legal advice, the legal team within Coupang Corp. interpreted the obligation as extending to traveling to China and they reported such interpretation to you?

Attorney [REDACTED] answers.

Answer: More precisely, after information was provided, the NIS continued to issue specific instructions, such as directing contact with the perpetrator. In the course of responding to those instructions, the matter was also reported to the suspect. The suspect opposed the course of action but ultimately understood that compliance was required.

Question directed again to the suspect.

Question: Before receiving directives from the NIS, did Coupang internally review the possibility of directly contacting [REDACTED]

Answer: Coupang Corp. internally reviewed the possibility of reaching out to [REDACTED] but I recall that we did not review the possibility of sending someone to meet him in person. Additionally, I do not know further details regarding Coupang Corp.'s internal review concerning contact with [REDACTED]

Question: Did the NIS provide specific instructions regarding every step of meeting the perpetrator in China, communicating with him, and receiving evidentiary materials?

Answer: In many instances, I understand that the NIS provided guidance and instructions. Although legal advice was obtained regarding certain matters, such as Chinese law, the contents of the communications and recovering the laptop using divers, etc. were all carried out pursuant to the NIS's instructions.

(Contact with the Leaker in China)

Question: It has been stated that around November 30, 2025, former CEO of Coupang Corp., Park Dae-jun, participated in a meeting chaired by the Deputy Prime Minister and stated that it was necessary to recover the devices used by the perpetrator in committing the offense. Are you aware of this?

Answer: There was discussion at some point about recovering the devices, but sending a person to do so was never considered. I was informed that the police had instructed not to make contact.

Question: With whom was the recovery of the devices discussed?

Answer: I am not saying that I personally discussed it; rather, I heard that such discussions had taken place.

Question: Who engaged in those discussions?

Answer: I do not know. However, no one within the company discussed sending someone to China, and had I heard of such a discussion, I would not have approved it.

Question: How were you informed that the police had instructed not to proceed?

Answer: I do not recall who reported that to me, nor do I recall whether it was before or after December 10.

Question: That would mean that a conflicting situation arose, in which the police said not to proceed, while the NIS said to proceed. How did you assess that situation?

Answer: I did not understand it as a conflict. The NIS stated through an official letter that this was being carried out as part of the joint investigation team, and as the NIS told us that they would communicate directly with the police, we understood that would be the case. I understood that the NIS would coordinate directly with the police.

Question: The investigation team has confirmed that the day [REDACTED] encountered opposition from the police and the day he came into contact with the NIS were the same day. Were you not aware of this?

Answer: I was not aware of that.

Question: If contradictory instructions were given by the NIS and the police, should you not have confirmed the matter with the police before complying with the NIS's instructions?

Answer: We understood this as part of the joint investigation team's response. The NIS requested confidentiality, and we understood that the NIS would handle coordination with the police. We believed that the NIS's instructions were mandatory, and if the NIS had conveyed incorrect information, that would have been beyond our ability to know.

Question: Is there any evidence proving that the NIS instructed that it would contact the police directly?

Answer: To my knowledge, the official letter stated that this was carried out as part of the investigation by the joint investigation team. In addition, I was told that communication with the police would be handled separately, so I believed there would be no issue.

Question: Other than what is stated in the NIS's official letter, is there no additional evidence?

Answer: I am relaying what I was told by the team handling the matter. Would it have been possible for us to record what a national intelligence agency says? How could I possibly provide further evidence?

(The investigation team presents the December 1 KakaoTalk conversation between the head of the personal information leak investigation team and [REDACTED])

Question: Reviewing this message, it shows that even though the head of the investigation team had already stated not to make private contact, [REDACTED] mentioned reviewing potential violations of the National Security Act and contacting the perpetrator through the Chinese entity. Does this not indicate that, despite the investigation team's instruction not to make contact, you continued to pursue such contact?

Answer: I was not involved in this matter, but based on observation of these text messages, it appears that the police also wanted to secure the devices, and that [REDACTED] was proposing a solution at the time. I understand this as him presenting an option and asking whether the police would be willing to support it. I understand this occurred before being directed by the NIS.

Question: Is it not the case that Coupang strongly intended to contact [REDACTED] out of some perceived necessity, sought cooperation from the police but was refused, and then requested cooperation from the NIS later the same day?

Answer: To my knowledge, that is not the case. My understanding is that [REDACTED] believed that all agencies, including the police, wanted to recover the devices used in the crime. I believe he proposed the option of recovering the devices through the Chinese entity in an effort to assist the police.

Question: Did you receive any reports from the U.S. entity regarding this matter, or did you conduct any review in relation thereto?

Answer: No.

The suspect was asked about dinner, and the suspect's side ordered dinner on their own. It was decided to continue the investigation until the meal was ready.

Question: Prior to your appointment as the representative director of Coupang Corp., did you have any involvement in, or give any instructions regarding the process of contacting the individual responsible for the personal information leak?

Answer: No. I may have received reports, but I was not directly involved.

Question: Did you receive any reports from [REDACTED] regarding the act of making direct contact?

Answer: I do not recall whether [REDACTED] reported this to me.

Question: Other than [REDACTED] did you receive any reports from the legal team of Coupang, Inc.?

Answer: Someone may have told me something, and there may have been details instructed by the NIS. I do not remember who conveyed it.

Question: Are you aware that, around December 5, the personal data leaker posted a message in a WeChat group chat composed of Coupang China employees stating to the effect that he was being treated unfairly and that he would contact Coupang's legal team?

Answer: Yes, I am aware.

Question: Coupang Corp. personnel have stated that they were informed of this by [REDACTED]. If so, were you not also informed of this by [REDACTED]?

Answer: I do not recall exactly, but that could have been the case.

Question: Is it correct that the first contact with [REDACTED] was made around December 9?

Answer: I do not recall the exact date. It was probably around that time.

Question: And is it correct that a second contact was made around December 11?

Answer: Likewise, I do not recall the exact date.

Question: According to materials reported by Coupang to MSIT (Ministry of Science and ICT) and other authorities, it is stated that the two sides met around December 13. Are you aware of that?

Answer: I did not participate in that process, so it is difficult for me to provide specific dates.

Question: Even if not the exact date, do you know who initiated the process of the first meeting?

Answer: As I understand it, the first contact involved [REDACTED] and [REDACTED] and from the Inc. side, I believe [REDACTED] and [REDACTED]

Question: According to briefing materials, it states that representatives of both sides first met on December 13. Was it not the case that Kirkland & Ellis attorneys traveled to China to meet at that time?

Answer: I do not recall the exact date, but if it was around that time, it was a period when we were very busy preparing for the first hearing. However, I believe that Kirkland & Ellis may have been involved in this response.

The investigator questions the trusted person, [REDACTED]

Question: Did any personnel from Kirkland & Ellis meet the individual responsible for the data leak in China?

Answer: No.

The investigator resumes questioning the suspect.

Question: Other than Kirkland, did you retain any other law firms in relation to the data leak incident?

Answer: We retained several law firms for civil matters, but with respect to contacting the individual responsible for the leak in China, Kirkland was the firm retained.

Question: Then who met with the representative of the individual responsible for the leak on December 13?

Answer: I was not involved, but to my knowledge, no one was sent directly to China. I believe Kirkland retained a local Chinese law firm, and at that time, I believe, the individual responsible for the leak visited the Chinese law firm's office, and other related persons participated via Zoom.

Question: Who participated via Zoom?

Answer: I do not know.

Question: Did any Coupang Corp. personnel participate at that time?

Answer: I do not know.

Question: [REDACTED] and [REDACTED] have stated that they were not involved in the December 13 contact. In that case, would it be correct to conclude that Coupang Corp. personnel were not involved?

Answer: I do not know, as I was not directly involved. It was shortly after I assumed the position of representative director, and I was busy preparing for the hearing.

Question: However, from the perspective of the representative director of Coupang Corp., this was a very important matter, and it would be expected that you received real-time reports.

Answer: I would have received reports regarding the matter, but at the time, so many issues were progressing simultaneously that I do not remember who participated in the meeting on that day.

Question: Even if you do not recall who participated, it appears that you would have received reports on the substance of the discussions. How did the negotiations with the individual responsible for the leak proceed on December 13 and December 14?

Answer: I do not recall exactly, but I was informed to the effect that the leaker was willing to meet with our representative, that he had confessed, and that he was willing to submit the devices. I do not specifically recall which meeting discussed what matters.

Question: At this point in time (December 13–14), it appears that the details of the work performed would have been reported in real time to the U.S. entity. Is that correct?

Answer: I do not know the exact timing, but it would have been reported to me, and I would have reported it to the U.S. entity as well.

Question: Was the NIS involved on-site in China during the initial contact on December 13 and the contract execution process on December 14?

Answer: To my knowledge, the NIS did not want to participate in the meeting and was observing from a certain distance.

Question: When you say they were observing from a distance, do you mean they were physically separated?

Answer: I do not know exactly, but as I understand it, they were in a completely different location. I understand that they were somewhere nearby.

Question: Did any Coupang, Inc. personnel or Kirkland & Ellis personnel communicate directly with the NIS?

Answer: To my knowledge, all communications with the NIS were conducted through employees of Coupang Corp.

Question: It is stated that the individuals who consulted with the NIS and reviewed the “directives” allegedly provided by the NIS on behalf of Coupang were [REDACTED] and [REDACTED]. However, it is also stated that the first meeting with [REDACTED] on December 13 and the drafting of the agreement on December 14 proceeded without either of them being aware. If so, how would the NIS have been aware of this process?

Answer: As I understand it, the individual responsible for the leak stated that he would communicate only through his representative, and therefore the process proceeded through law firms. In that case, I believe the law firms would have informed [REDACTED] and [REDACTED].

Question: If the connecting parties, [REDACTED] and [REDACTED] were not involved, would it be possible for the NIS to be involved in this work? Is that not logically inconsistent?

Answer: Because it was made aware that there could be legal risks associated with this matter, and because the individual responsible for the leak wished to communicate through his representative, only the Chinese legal counsel were involved. I believe this aligned with what the NIS desired, because I understand that the NIS would also have wanted this matter to proceed without any violation of law.

Question: To summarize, although the NIS did not directly participate in the work conducted on December 13–14, is it your position that the work was carried out in accordance with the NIS's directives overall, since it involved fulfilling what the NIS had requested?

Answer: The NIS wanted to obtain the devices, but did not want to do so themselves. They wanted us to do it without their direct involvement. They did not want to send messages to the leaker themselves, and instead wanted us to do so. They wanted the devices to be retrieved and observed it from nearby, but did not participate on site.

Question: Let us assume that, as you stated, the reason the NIS was not present at the location is resolved. However, at a minimum, were there not reports made to the NIS and instructions received from the NIS regarding the specific events that occurred on December 13 and December 14?

Answer: The instruction the NIS gave us was to retrieve the devices, and after we actually retrieved them, we handed them over.

Question: In other words, the instruction from the NIS was an abstract one to retrieve the devices, and it did not extend to specific details. Is that correct?

Answer: It depends on the timing. In some instances, the NIS gave specific instructions. With respect to contacting the individual responsible for the leak, they gave specific instructions regarding the wording of the messages, and in other instances, they gave only abstract instructions to retrieve the devices. The important point is that if there had been no directives from the NIS, we would not have carried out such actions. There were both specific directives and general directives. On matters such as affixing fingerprints to the written statements or salvaging the MacBook, they directed us specifically.

Question: Given that Coupang Corp. personnel were not aware, is it correct that the contacts on December 13 and December 14 were led by Kirkland & Ellis's China-based representatives, and that Coupang Corp. was not involved during that period?

Answer: I do not know the exact dates, but that is not my understanding. I understand that affixing fingerprints to the written statements was done pursuant to the instructions of the NIS, and I assume that communication with the NIS regarding that matter took place through [REDACTED].

Question: [REDACTED] later traveled to China on a business trip, and since he participated in the preparation of the written statement at that time, it is possible that the NIS was involved. However, is it not the case that there were no instructions from the NIS on December 13 and December 14?

Answer: I do not know the exact dates. My understanding is that the NIS was heavily involved in activities in China.

Question: It has been confirmed that no personnel from Coupang Corp. participated in the tasks carried out on December 13–14, and therefore the work carried out during that period was handled by personnel from the U.S. entity. If so, is it correct that personnel from the U.S. entity were acting pursuant to the directives of the National Intelligence Service of Korea?

Answer: I see. I believe you could understand it that way. I am somewhat confused as to why this point is important. The NIS instructed us to retrieve the devices, and we did so. I do not understand why December 13 and December 14 are being emphasized.

Question: *(Presenting the cooperation agreement)* You are aware that Coupang Corp. and [REDACTED] entered into a cooperation agreement on December 14, correct?

Answer: Yes, I am aware that it was executed.

Question: Were you informed of this at the time?

Answer: I was informed later that the agreement had been executed.

Question: From whom and when did you receive that report?

Answer: I do not recall exactly, but it was likely from Vice President [REDACTED] or [REDACTED]

[REDACTED] I do not recall the timing.

Question: Through what process was this agreement executed?

Answer: I was not involved in the process, so I do not know. In similar situations, it is my understanding that it is common practice for law firms to handle such cooperation agreements.

Question: Who drafted this agreement?

Answer: I do not know.

Question: The agreement states that an appropriate amount would be paid for the devices used in the offense. Was any money actually paid?

Answer: I understand it as reimbursement for the leaker's devices, but I do not know whether any payment of the cost was actually made.

Question: Given that such an agreement was executed and the devices were returned, it would appear that payment was made.

Answer: I do not know. I truly do not know whether any payment was actually made. There may have been reimbursement for the cost of the devices, but it does not appear to be consideration for the written agreement itself.

Question: Can you submit documentary evidence regarding any payment made?

Answer: If there was a payment, there should be documentation, so we will review and attempt to submit it. However, I truly do not know whether any payment was made.

Question: Did you not state at the hearing that no promise was made to pay money to the individual responsible for the breach?

Answer: What I meant was that we did not make any payment in exchange for a statement or for

submission of the devices. However, since we retrieved personal devices, there may have been reimbursement for the devices themselves.

Question: You are aware of the Uber hacking incident that occurred in 2016–2017, correct?

Answer: I am not very familiar with it.

Question: Coupang, Inc. is a U.S. company and Coupang Corp. is a Korean company. [REDACTED] is a Chinese national residing in China. There is no known case where China apprehended and extradited Chinese nationals at the request of agencies such as the FBI. Realistically, why would an individual suspected of a data breach, who had legal counsel, suddenly admit to the allegations?

Answer: As I understand it, the individual responsible for the leak likely did not anticipate the situation escalating to this extent. The initial email was sent only to thousands of customers with Coupang.com email addresses, meaning it was intended to be disclosed internally only. I understand that he may have harbored dissatisfaction from not having been sufficiently recognized during his time at Coupang, and that he intended to point out vulnerabilities through such an email. To my knowledge, he did not make any financial demands through this act.

(Proceedings recessed at approximately 19:27 for dinner.)

(Proceedings resumed at approximately 20:01.)

Question: Did anything arise during dinner that you wish to add to your statement?

Answer: Yes. After inquiring with the law firm that handled the matter in China, I was informed that there was no record of any actual monetary payment being made.

Question: Is it not unusual, from a common-sense perspective, to include such language in a contract but not actually receiving payment?

Answer: I do not know.

Question: Are there any plans to make payment in the future?

Answer: No. There are no such plans at this time.

Question: What if the individual responsible for the leak demands payment based on the agreement?

Answer: Since I am not certain whether we are obligated to perform under such circumstances, I would need to consult with Chinese counsel. To my knowledge, both the cooperation agreement and the devices were submitted together to the NIS.

Question: The agreement includes declarations, confirmations, and representations by the individual responsible for the leak, such as: “The data I obtained did not include users’ bank information, credit card information, or login credentials,” and “Except for the email sent to Coupang users and employees in November 2025, I did not disclose, sell, or transmit the data to any third party.” Aside

from verification by [REDACTED], did Coupang independently investigate whether these statements were factually accurate?

Answer: We retained global security firms—Mandiant, Palo Alto Networks, and EY, and conducted related forensic investigations.

Question: Did those firms confirm that the statements were accurate?

Answer: The investigation is ongoing. Firms including Mandiant are conducting the analysis, and the MacBook device was only recently received. As I understand it, all of the leaker's statements are consistent with the forensic findings.

Question: What is the significance of including factual assertions in a cooperation agreement that are based solely on the unilateral statements of the individual responsible for the leak?

Answer: It is to obtain information from the leaker regarding what actually occurred.

Question: What benefits does the individual responsible for the leak obtain from this cooperation agreement, and what benefits does Coupang obtain?

Answer: I did not understand this as an exchange of benefits. The purpose was to have the actual perpetrator state and sign what actions he had taken, thereby ascertaining the factual circumstances.

Question: I understand that Coupang has been conducting forensic analysis internally through Mandiant and others. However, according to the investigation by the Personal Information Leakage Investigation Team, one of [REDACTED] four disks was formatted after contact with Coupang began. How did this occur?

Answer: I am not aware of that.

Question: According to the investigation by the Personal Information Leakage Investigation Team, [REDACTED] MacBook was thrown into a river after contact with Coupang began. How did that happen?

Answer: We only received the MacBook recently, and I am not aware of such an incident.

Question: Wasn't this caused by a Coupang employee who met with the perpetrator?

Answer: Absolutely not.

Question: Has it been investigated whether user information from other countries, such as Japan or Taiwan, was leaked?

Answer: Forensic firms such as Mandiant are currently conducting investigations.

Question: Then is it correct that it has not yet been definitively confirmed whether data of Taiwanese users was leaked?

Answer: I am only overseeing matters related to Korea, so I am not aware of the situation regarding Taiwan.

Question: According to the investigation by the Personal Information Leakage Investigation Team, a file named *twdata.zip* was found on the perpetrator's disk. Could this contain information related to Taiwanese users?

Answer: I am not aware of that. Matters concerning other countries are handled by the relevant regulatory authorities of those countries.

Question: At the National Assembly hearing, you testified regarding the contact with the perpetrator in China that "I consulted with Kim Bom-suk, but the decision was made by the Korean entity," correct?

Answer: I do not recall whether I made that statement, so I would need to review the record.

Question: Regardless of whether you testified to that effect, is that statement true?

Answer: As I recall, I did not state at the hearing that the company made the decision. I recall stating that the decision was made by the NIS, and that we followed its instructions. My position has been the same both before the investigation team and before the National Assembly.

I provided Kim Bom-suk with regular reports on general matters. However, given that I responded for approximately 30 hours, I cannot clearly recall every detail of what I said.

(Announcement of Own Investigation Results)

(During the review of the statement, an objection was raised by the suspect that referring to the findings as "own/self-conducted investigation results" was biased, on the grounds that materials were obtained under the instruction of the NIS and had already been provided to all relevant government authorities prior to the announcement.)

Question: You remember the content disclosed in the Newsroom on December 25, 2025, correct?

Answer: Yes.

The December 25 Newsroom announcement is presented.

Question: What was the main content of that announcement?

Answer: It was an announcement of interim investigation results as of December 25.

Question: What were the key points of those interim results?

Answer: As stated there, the key points were that stolen keys were used, that access was made to limited building entrance passcodes, etc., and that one desktop computer and one MacBook were used.

Question: Please explain the circumstances under which this announcement was made.

Answer: We provided data, devices, and statements to the NIS, the police, the joint investigation team, and the Personal Information Protection Commission. However, that information was not

being disclosed to the public, and as a result, customers were under the mistaken impression that their financial information had been leaked. Statements made by officials of government agencies were also such that the public could reasonably misunderstand them as indicating that financial information had been leaked. We subsequently became aware of media reports indicating that criminals were exploiting this misinformation to carry out phishing and other fraudulent activities targeting Coupang's customers. Meanwhile, the government was not providing clarification to the public. In light of this, we believed that we had a moral obligation to protect our customers by informing them that such data had not been leaked, and that it was necessary to prevent further misuse by criminals.

Question: Who drafted this announcement?

Answer: I understand that multiple teams within Coupang Corp. were involved, including the PR team and the legal team. After review by those teams, it was forwarded to me for review.

Question: Did relevant personnel of Coupang, Inc. also review it?

Answer: Yes. Given the nature of the issue, I believe the legal team at Coupang, Inc. would also have reviewed it.

Question: Did they actually review it, or is that an assumption?

Answer: It was reviewed.

Question: Did Kim Bom-suk of Coupang, Inc., or any other executives, review it as well?

Answer: I reviewed it in my capacity as an executive of Coupang, Inc.

Question: Did Kim Bom-suk review it?

Answer: To my knowledge, he did not. This was an announcement prepared by Coupang Corp., the Korean entity.

Question: Is everything stated in this announcement true?

Answer: As of the time the announcement was made, it was true to my understanding.

Question: If it was true as of the time of announcement, has anything changed since then?

Answer: To the best of my knowledge, no. For an accurate answer, each item would need to be reviewed individually.

Question: Please describe the decision-making process leading up to the release of this announcement.

Answer: Certain government officials provided incorrect information regarding the data leak incident, creating a situation in which consumers could be exploited by criminals. We waited for the government officials to correct the information, but no correction was made, so we determined that we needed to disclose the facts ourselves in order to protect consumers.

Question: Which government agency provided what incorrect information?

Answer: As reported in the media, some government officials stated that credit information had been leaked, that financial information had been leaked, that door access codes had been leaked such that intrusions could occur at any time, and that there was potential misuse by terrorists threatening national security. These statements remain uncorrected to this day even though it is known not to be true.

Question: Since the analysis is still ongoing, isn't it possible that this information is not yet confirmed to be incorrect?

Answer: As stated in the announcement, the investigation is ongoing. The announcement clearly specified that it was an interim investigation result.

Question: I understand that there was a meeting on the morning of December 25, the day of the announcement. Is that correct?

Answer: There probably was.

Question: Who attended the meeting, and how was the decision made?

Answer: I do not recall exactly who attended. Ultimately, as the representative director, I made the decision.

Question: Based on statements from related parties, it has been confirmed that you, [REDACTED], and members of the PR team attended. Do you recall that?

Answer: I do not recall the participants precisely, but that group seems accurate.

Question: At that time, was there discussion about how to structure the messaging and how to organize the paragraphs?

Answer: There likely was.

Question: Logically, the core content of a post is usually reflected in its title. The title of this post is: "Coupang has identified the perpetrator and confirmed that all devices used to leak customer data have been recovered. According to the investigation to date, the perpetrator only stored limited customer information for approximately 3,000 accounts and subsequently deleted all such data." Would it be fair to say that the key message Coupang intended to convey through this post was the identification of the perpetrator, recovery of devices, storage of information relating to 3,000 accounts, and deletion of the data?

Answer: I am not a PR professional, so I did not view it from that perspective. My focus was on confirming whether the contents of the announcement accurately reflected the investigation results up to that point and whether the supporting grounds were properly reflected.

Question: Looking at the overall structure of the post, it describes how the perpetrator made certain statements and that those statements align with Coupang's investigation results to date. Is that correct?

Answer: That is my general understanding of how it is structured.

Question: Accordingly, the announcement divides the details into items numbered 1 through 5, and for each item states the perpetrator's statements and that Coupang's investigation results are consistent with those statements. Is that correct?

Answer: Yes. We verified, item by item, whether each statement made by the perpetrator was consistent with the forensic results and other investigation findings up to that point.

Question: Please explain the intent of the paragraph stating *"the leaker stored only a small amount of customer information, did not transmit it externally, and subsequently deleted all of it,"* and the basis on which Coupang confirmed this.

Answer: First, please note that the information I previously referred to as misleading corresponds to items 1 and 2. With respect to item 5, the forensic results were consistent with the above statement, and there were no findings that contradicted it.

Question: While items 1 through 4 are supported by specific grounds, item 5 alone is described in a vague manner. What specific investigative findings supported item 5?

Answer: I believe that question should be directed to technical experts. What I want to be clear about is whether this information is 100% accurate. At the time, technical experts stated that it was accurate, and although I am not a technical expert myself, I understand that subsequent investigative results were also consistent with it.

Question: What do you mean by "subsequent investigative results"?

Answer: Since then, Mandiant and others have continued conducting forensic analyses. I was referring to the fact that our internal teams have also been cooperating with the joint investigation team and that many investigations have been carried out since that time. Although we had indicated that we would make additional announcements if there were updates, I understand that the Personal Information Protection Commission advised not to make further public disclosures.

At 21:00, the suspect was asked whether approximately 30 additional minutes of questioning would be possible, and the suspect agreed under work-related reasons, so the questioning continued.

Question: When the investigation team questioned [REDACTED] it was confirmed that, both at that time and to date, this point was supported by no evidence other than the perpetrator's own statement.

Answer: I am not a technical expert, so I cannot answer precisely, but I understand that forensic investigations related to this matter continued even after December 25.

Question: According to the investigation team, only server analysis had been conducted up to that point. How could server analysis alone confirm that fewer than 3,000 account records were stored or that there was no external leak?

Answer: I would need to verify how the technical work was carried out in detail, but this was an interim investigative findings announcement.

Question: It may not be perfect as it was an interim investigation result, but wouldn't it be problematic if there were effectively no investigative basis at all?

Answer: At that time, approximately one month of investigation had already been conducted, and the interim findings were announced based on that. In addition, the results of reviewing our internal server data were consistent with the leaker's statements. Given that our customers were suffering harm, it would have been irresponsible not to disclose such interim findings.

Question: Isn't it problematic to make such an announcement without examining the perpetrator's devices?

Answer: No. I believe that if we had not disclosed what kind of attack the leaker carried out against our systems, etc., customers could have continued to be exposed to risk.

Question: You state that you are not well-versed in technical matters, and [REDACTED] states that the information did not have evidentiary support. Given that [REDACTED] statement appears consistent, shouldn't unsupported content have been excluded from the announcement?

Answer: The perpetrator disclosed these details in a written statement and affixed his signature using fingerprints. The perpetrator signed the statements that ran counter to his own interests. In such circumstances, there is no basis to conclude that the statements do not correspond to the facts, and there are many cases in which a conviction is established based solely on a confession. The Personal Information Protection Commission announced a figure of 33 million records, which was also based on the leaker's statements. Coupang likewise made its announcement based on the same source. I do not understand why only Coupang's announcement is being challenged. I believe this constitutes a double standard.

Question: If that is the case, wouldn't it have been sufficient to simply announce that this was the perpetrator's statement? Why did you additionally state that it was consistent with Coupang's investigative findings?

Answer: The basis for this announcement is clearly stated in the announcement itself. We explained that the leaker's statements were consistent with the results of Coupang's investigation up to that point. We also made it clear that there was no evidence contradicting the leaker's statements.

Question: If only server analysis had been conducted at that stage, wouldn't it have been impossible for any information contradicting the leaker's statements to emerge?

Answer: I am not a forensic expert, but as I understand it, even by reviewing data logs, it is possible to determine whether they are inconsistent with the statements.

The defense counsel was asked whether this point—alleged to constitute deception—could be provided as a written opinion, and the defense counsel stated that such an opinion would be submitted.

Question: The investigation team is not asserting that the perpetrator's statements are false. However, wouldn't stating that the perpetrator's statements are "consistent with Coupang's investigative findings," rather than merely describing what the perpetrator stated, give users a different impression?

Answer: As of December 25, I understood this information to be accurate. Coupang is a victim. On the contrary, Coupang continuously supported the Korean government in identifying the perpetrator, recovering the devices, and protecting the people. We assumed risks and complied with instructions issued by the NIS as well. Despite this, I was subjected to repeated shouting at National Assembly hearings and experienced harassments such as physical assaults from the demonstrators. Labor unions issued threats and even attempted to follow me to my residence. This situation remains ongoing, yet companies such as SK Telecom and Kakao, which experienced more serious data breaches, or Alipay, where there was actual financial theft, did not face such treatment. I will continue to be investigated next week and the week after, and I believe this is neither fair nor just. Coupang has continuously assisted the Korean government, and we have worked tirelessly to ensure that Coupang continues to grow and provide the best possible services.

Question: At the time, was there ever any opinion within your department, Coupang Corp.'s executive management, or Coupang, Inc.'s executive management that questioned the credibility of the perpetrator's statements?

Answer: At that time, the evidence we had supported the leaker's statements, and therefore we considered them to be highly credible.

Question: After this announcement, there were reports that the Personal Information Protection Commission and others strongly objected and issued a resolution demanding that the post be taken down. What actions were taken in response?

Answer: At the time, the Commission's dissatisfaction concerned the fact that the announcement appeared as a banner when users opened the Coupang app. That banner content was removed.

Question: Wasn't the Commission's objection directed at the newsroom announcement itself?

Answer: I did not communicate directly with the Commission, so I cannot be certain, but what the Commission told us to take down was not the newsroom announcement.

Question: What is your view on the allegation that this announcement, through deception, obstructed the official duties of government agencies such as the Ministry of Science and ICT and interfered with users' activities?

Answer: As I understand it, there was no false information in this announcement. Neither the investigation by the Personal Information Protection Commission nor that by the Ministry of Science and ICT was obstructed, and investigations have continued on site. With respect to users, we believe that this announcement instead helped customers clearly understand the situation and protect themselves.

(Other Matters)

Question: What are your plans regarding future departures from and entries into the country?

Answer: I travel frequently for business, but I will coordinate my schedule and attend any police investigation as required. If you specify preferred dates, I will actively adjust my schedule. Media reports claiming that I failed to comply with requests to appear are untrue, and I will continue to fully cooperate.

Question: Do you intend to submit any additional written opinions or materials before the case is referred?

Answer: I will consult with legal counsel.

Question: Are all of the statements you have made true?

Answer: Yes. To the best of my knowledge, they are.

Question: Is there anything further you would like to add?

Answer: No.

The above statement was read over to the declarant through an interpreter (and/or made available for review). The declarant stated that it was exactly as stated and that there were no errors, additions, deletions, or changes whatsoever. Accordingly, after initialing across page boundaries together with the interpreter, the declarant signed (affixed name and seal) hereto.

Interpreter: [REDACTED]

Interpreter: [REDACTED]

Declarant: Harold Rogers Lynn

Defense Counsel: [REDACTED]

Defense Counsel: [REDACTED]

Defense Counsel: [REDACTED]

January 30, 2026

Judicial Police Officer:

Senior Inspector [REDACTED]

(Signed/Sealed)

Judicial Police Officer:

Senior Inspector [REDACTED]

(Signed/Sealed)

Investigation Process
Confirmation Form

Category	Notes
1. Time of Arrival at the Examination Location	January 30, 2026 13:55
2. Start and End Time of the Examination	☐ Start Time : Jan 30, 2026 14:16 ☐ End Time : Jan 30, 2026 21:36
3. Start and End Time of Record Review	☐ Start Time : Jan 30, 2026 21:36 ☐ End Time : Jan 31, 2026 01:54
4. Other Matters Necessary to Confirm the Progress of the Investigation Process	16:25-16:37 Recess 19:27-20:01 Recess (Dinner) Attorneys: [REDACTED] [REDACTED] Interpreters: [REDACTED] Trusted individuals: [REDACTED] [REDACTED]
5. Whether Any Objection Was Raised or Any Opinion Was Stated Regarding the Matters Recorded in the Investigation Process, and the Details Thereof	NO.
January 30 , 2026 After questioning Harold Rogers, Judicial Police Officer Inspector [REDACTED] obtained confirmation from Harold Lynn Rogers with respect to the matters stated above. Confirmed by: Harold Lynn Rogers (Signature/Seal) Judicial Police Officer: Inspector [REDACTED]	

Exhibit 24:
CPNG-HJC119-0001549
January 27, 2026 Statement of Coupang
Employee

I, [REDACTED], certify that I am competent to translate from Korean into English and that the translation of the below document is true, accurate, and complete to the best of my knowledge. If you have any questions regarding the translation, please contact me at the email address below.

Typed Name: [REDACTED]

Qualifications: Professional translator with an MA in Korean-English Interpretation, Seoul, Korea

Email: [REDACTED]@coupang.com

Date: February 16, 2026

Statement

Name:	[REDACTED]
Resident registration number:	[REDACTED]
Occupation:	Office worker (employee of Coupang Corp.)
Residence:	[REDACTED]
Registered domicile:	[REDACTED]
Office address:	[REDACTED]
Contact information:	Home telephone: [blank]; Mobile phone: [REDACTED] [REDACTED] Office telephone: [blank]; Email address: [REDACTED]@coupang.com

The person named above voluntarily appeared at the Interview Recording Room of the Cybercrime Investigation Division of the Seoul Metropolitan Police Agency at 14:09 on January 27, 2026, accompanied by his counsel [REDACTED] and [REDACTED], to provide statements as follows regarding the suspected case of destruction of evidence involving Harold Lynn Rogers and four other suspects.

1. Relationship with the suspects

I have no relationship with Suspect Harold Lynn Rogers and four others than work-related relationship as employees of the same company.

1. Relation to the alleged facts

I have appeared in the capacity of a reference witness regarding the alleged facts.

For further clarification of the intent of the statement, the following questions and answers were voluntarily exchanged.

Question: Pursuant to the Act on the Prohibition of Discrimination against Persons with Disabilities and Remedies Against Infringement of Their Rights, the police are required to confirm whether a person subject to investigation has a disability that makes communication or expression of intention difficult and to take necessary measures to guarantee due rights. Do you have any difficulty in hearing and answering questions?

Answer: No.

Question: Pursuant to the Act on Guarantee of Rights of and Support for Persons with Developmental Disabilities, if you are a person with a developmental disability, you may be

questioned by a designated police officer and may request the presence of a trusted person.
Do you have any intellectual disability or autism spectrum disorder?

Answer: No.

1. You have the right to remain silent and may decline to make any statement or to answer individual questions.
1. You will not be disadvantaged in any way for choosing not to make a statement.
1. Any statement you make after waiving your right to remain silent may be used as evidence of guilt in court.
1. You have the right to the assistance of counsel, including the right to have your attorney present during questioning.

Question: Have you been informed of the above rights?

Answer: Yes.

Question: Will you exercise the right to refuse to make statements?

Answer: No.

Question: Will you exercise the right to receive assistance of counsel?

Answer: Yes.

Question: Can you confirm that you are [REDACTED]

Answer: Yes, I am.

At this point, the identities of the declarant and his counsel, [REDACTED] (Reg. No. [REDACTED] and [REDACTED] (Reg. No. [REDACTED] were verified based on the declarant's driver's license and the counsel's attorney identification cards, respectively.

[Responsible duties]

Question: Do you know the reason for your appearance today?

Answer: Yes, I was informed that I am to be interrogated regarding the allegations of obstruction of official duties by fraudulent means, destruction of evidence, and obstruction of business raised by the complainants.

Question: You are currently employed with Coupang Corp. Is that correct?

Answer: Yes.

Question: What is your professional background prior to joining Coupang Corp.?

Answer: I previously worked as an attorney at Shin & Kim LLC.

Question: Since when have you been working at Coupang Corp.?

Answer: I have been with the company for about three years.

Question: What was your team and rank (job level) within Coupang Corp. between November and December 2025?

Answer: I was part of the Legal team and my job level was Level [REDACTED]

Question: Since when have you been serving in the same team and at the same rank?

Answer: I have been in the same team since joining the company, and as for my job level, I was promoted from Level [REDACTED] to Level [REDACTED] in [REDACTED].

Question: Are your current team, job level, and responsible duties still the same?

Answer: Yes.

Question: Do you have a separate nickname that you use within the company?

Answer: It is [REDACTED]

Question: What were your responsible duties between November and December 2025?

Answer: Within the Legal team, I was primarily responsible for litigation. Among the various lawsuits involving the company, I mainly handled disputes related to commerce. While there were also certain cases handled by general staff, I took charge of, handled, and reported on the matters deemed significant upon request.

Question: What is the upper-level department of the team you belong to?

Answer: The team I belong to is Corporate & Operation Legal and its upper-level department is Legal.

Question: Are you the head of the Corporate & Operation Legal team?

Answer: No, I am a member of the team.

Question: Who is the head of the Corporate & Operation Legal team?

Answer: It is Vice President [REDACTED]

Question: Who is the head of the upper-level department, *i.e.*, Legal?

Answer: It is the same person, Vice President [REDACTED]. This is a common organizational structure in our company.

Question: Is Vice President [REDACTED] your immediate supervisor?

Answer: Yes.

Question: To what extent do you receive directives from and report to Vice President [REDACTED]?

Answer: Basically, I report and receive directives only regarding significant matters.

Question: Who determines whether a certain matter is considered significant?

Answer: I do.

Question: Is there anyone else to whom you report, other than Vice President [REDACTED]?

Answer: I frequently consult with others, but if we are speaking of reporting in a general sense, I report exclusively to Vice President [REDACTED]

Question: Please describe your routine work process.

Answer: Since my primary role involves litigation, once a lawsuit is filed, we either handle it in-house or appoint outside counsel depending on the nature of the case. If a particular lawsuit is deemed a significant matter for the company, I report it to Vice President [REDACTED] when it is filed. And, as for the appointment of legal counsel, I typically consult with him.

However, Vice President [REDACTED] does not have extensive experience in litigation, so I have been delegated substantial authority in litigation matters. Accordingly, even if I did not report a particular task, he has never reprimanded me or taken issue with it.

Question: Please state the names and ranks of the members of your team.

Answer: Since there are about 30 members, it is difficult to name them all individually, so I will mention only the key members. Based on the nature of business, there is 'Retail Legal' that reviews laws related to direct purchase transactions and the team is headed by Attorney [REDACTED]. And there is a team for the 'Rocket Growth' business model, headed by Attorney [REDACTED]. Attorney [REDACTED] is in charge of legal affairs concerning brokerage transactions. The head of the team responsible for customer service is Attorney [REDACTED]. The head of the Logistics Legal team, which devises the legal structure for Coupang's direct delivery, is Attorney [REDACTED]. And the head of the team responsible for matters related to the company's general meeting of shareholders is Attorney [REDACTED].

Question: Are all these individuals part of the Corporate & Operation Legal team?

Answer: Yes.

Question: It appears there are several teams within the Corporate & Operation Legal team. Which team do you belong to?

Answer: I am in the Litigation team.

Question: How many members are in the Litigation team?

Answer: Given the nature of our organization, there are no specific subordinates assigned to the teams. Rather, each team has its own lead and junior attorneys are assigned to matters as needed.

Question: In that case, are there no subordinates under your direct supervision who receive directives from you or report to you on a regular basis?

Answer: If I had to specify, there are certain junior lawyers who frequently work with me, such as [REDACTED] and [REDACTED]. And there are also staff members responsible for general administrative tasks.

Question: Where is your workplace located?

Answer: I work on the [REDACTED] floor of the Coupang headquarters office located at 570 Songpa-daero.

Question: Do you work from home or commute to the office?

Answer: It varies depending on the situation, but I report to the office about two to three times a week.

Question: Please describe your specific work location and environment when you report to the office.

Answer: The [REDACTED] floor does not have separate partitioned rooms; it is an entirely open-plan space. Within that floor, there is a specific section designated for Legal teams. We also utilize a smart office system, according to which we reserve seats to use on a daily basis. However, I have a fixed seat.

Question: Then, as your dedicated workspace appears to be that fixed seat, is there no locker or storage unit provided for your work-related items?

Answer: No, I do not have one. While individual lockers are assigned to employees, it is my understanding that those with fixed seats are not allocated separate lockers.

Question: Do the employees in your team also work in the same location and in the same manner?

Answer: Not everyone uses a fixed seat; some work under a smart office system.

Question: Is the work arrangement for the employees in your team also the same?

Answer: Yes, it is a structure that combines working from home and reporting to the office.

Question: Does Vice President [REDACTED] also not have a private office space?

Answer: Correct. Like me, he only has a fixed seat within the shared area.

Question: Do other executives, such as the CEO or CISO, use their workspace in that same manner?

Answer: I am not sure.

Question: Aside from the Coupang head office, are there any other separate work locations used by your team?

Answer: No.

At this point, the investigating officer presented the Coupang organizational chart to the declarant and attached it to the statement record.

Question: This organizational chart was submitted during the investigation of the Coupang personal data leak case. It is categorized into three main areas: Administration, Finance, and Business Development. This is not the organizational chart for the U.S. entity, but for the Korean entity Coupang Corp., correct?

Answer: Some personnel who provide support functions are employed by the U.S. entity Coupang, Inc., and work as members of the teams shown in this organizational chart, but the organizational chart itself indeed reflects the teams of Coupang Corp.

Question: Do you know who is the chief officer for each of the green-colored divisions—Administration, Finance, and Business Development—shown directly under the CEO in the organizational chart by field?

Answer: The chief officer for Administration is CEO Harold Lynn Rogers, the chief officer for Finance is [REDACTED], and the chief officer for Business Development is CEO Harold Lynn Rogers. Since he is the representative director, he took on those roles.

Question: In the organizational chart, does “CEO” refer to the representative director?

Answer: I believe so.

Question: Please explain as much as you can about the parts of the organizational chart that you are able to describe.

Answer: I will start by explaining the Administration division.

Compliance is the department responsible for legal compliance support. It reviews applicable regulatory statutes such as the Food Sanitation Act in relation to product sale.

Corporate Securities, M&A and Governance handles reviews of the company’s equity investments and related matters.

Digital Trust is responsible for information security.

Global Communications includes the public relations team, but I am not familiar with its other functions.

Global Litigation performs work similar to that of the US Legal department, as far as I understand.

Global Mobility & Global Business Travel handles visa management and related tasks for employee business trips or assignment of foreign employees, to my understanding.

Global Strategic Talent is what we commonly refer to as the HR (Human Resources) department.

International Legal is a legal department specializing in international transaction matters.

Legal Counsel refers to the Legal department that I belong to.

Total Rewards is in charge of compensation and evaluation, such as salaries and bonuses.

US Legal handles litigation filed in the United States and U.S. disclosure-related matters.

I am not familiar with the Finance division.

In the Business Development division:

Commerce Strategy establishes strategies for our main business area, e-commerce.

Coupage EHS is responsible for safety and health operations. Eats is in charge of Coupage Eats. ER & EC handles labor-related matters. External Relations is the policy division that reviews business-related regulations.

Logistics Operations appears to include delivery-related organizations. In early 2023, we transferred the delivery organization to a subsidiary, and to make that transfer, the delivery field employees had to agree to move to the subsidiary. The department shown here consists of those employees who did not consent to the transfer.

Play / Supernova is the division related to Coupage Play.

Please understand that I am speaking based on my recollection, so some details may not be accurate.

Question: Do you know how the U.S. entity's organization is structured?

Answer: I do not know.

Question: Can you explain, in general terms, what the relationship is between the Korean entity and the U.S. entity?

Answer: Coupage Corp. is a subsidiary wholly owned by Coupage, Inc., the U.S.-listed parent company. However, as far as I understand, Coupage Corp. makes its own decisions independently.

Question: Do you know to what extent matters related to the business of Coupage Corp. are generally reported to, or directed by, the U.S. entity?

Answer: I have no knowledge of that.

Question: Then do you know who would be aware of this?

Answer: I am not sure. Perhaps the US Legal department.

Question: Regarding the 2025 Coupage personal information leak, do you know who primarily made the top-level decisions at the Korean entity and the U.S. entity?

Answer: For the Korean entity, the decisions would have been made by Chief Information Security Officer [REDACTED] and Former Representative Director Park Dae-jun, and, after the change in the representative director, by Current Representative Director Harold Rogers. I do not know about the U.S. entity.

Question: Do you know what role Kim Bom-suk, the Chairman of Coupage, Inc., plays in

relation to the Korean entity?

Answer: I do not know.

Question: According to the Coupang organizational chart, there is a US Legal department. Is that different from the department you belong to?

Answer: Yes.

Question: Could you explain in more detail what kind of duties the US Legal department is responsible for?

Answer: Based on my experience, when class actions are filed in the United States, the U.S. Legal team needs to understand the business operations in Korea in order to respond, and we provide support while the U.S. Legal team handles the response. In addition, the U.S. entity has an obligation to disclose material matters, and we must inform them of matters that require disclosure for the U.S. entity to be able to make such disclosures. Accordingly, we provide information regarding such disclosure matters.

Question: Is there no particular hierarchical relationship between the Legal Counsel department and the US Legal department, which handle legal affairs?

Answer: I am not certain, but I do not believe there is a hierarchical relationship. The company generally works in more of a cooperative atmosphere rather than a hierarchical one.

Question: Do you know who the head of the US Legal department is?

Answer: It is [REDACTED]

Question: Do you know who works in the US Legal department?

Answer: I can't think of anyone at the moment.

Question: Do US Legal employees also stay in Korea while they work?

Answer: I am not sure, but I have seen them come to Korea and move around here. It seems they mainly work in the United States. When we work together, we coordinate our work based on the time difference.

Question: They are rarely in Korea, but does the US Legal department actually have an assigned work location in Korea?

Answer: Rather than coming to Korea for work, as far as I recall, they were here to observe our delivery system and related operations.

Question: What is the phone number and email address you use for work?

Answer: It is [REDACTED] [REDACTED]@coupang.com.

Question: What means of communication do you use within the company for work-related communication?

Answer: I use various methods such as phone calls, email, and the internal messenger (Slack).

Question: Since November 2025, have any electronic devices you use for work been added, disposed of, or replaced?

Answer: No, they have not.

Question: Around December 2025, Coupang Corp.'s Former Representative Director Park

Dae-jun resigned and Harold Lynn Rogers assumed office as the new representative director. Do you know the reason for this?

Answer: I do not know.

Question: Did you know Harold Lynn Rogers before he became the representative director of Coupang Corp.?

Answer: Yes. I understand that he had been performing related duties as the Chief Administrative Officer (CAO) of Coupang, Inc.

Question: Do you know what work Harold Lynn Rogers originally handled at the U.S. entity?

Answer: I do not know to that extent.

Question: Before Harold Lynn Rogers became the representative director of Coupang Corp., had he already been performing work related to the Korean entity?

Answer: I understand that he performed certain portions of such work, but I do not know specifically what duties he handled.

Question: Do you know whom Harold Lynn Rogers worked with at the U.S. entity?

Answer: I do not know.

Question: After Harold Lynn Rogers newly took office as the representative director, have you or your department provided him with any overall work reports?

Answer: After he took office, things were very hectic, so I didn't have a separate briefing for him. But before he took the post, I did provide briefings on certain legal matters.

Question: What was that matter you reported?

Answer: As I recall, there was an injunction filed by a delivery workers' union. We had won in the first and second instances, but the Supreme Court reversed and remanded the case. I reported on how we would respond in the second-instance proceedings and what we would do in the event we lost the case.

Question: Do you remember when you reported that matter?

Answer: It was around June to July 2025.

Question: Why was that matter reported to Harold Lynn Rogers?

Answer: It was considered an important matter, so a video conference was scheduled, and I provided an explanation during that video call.

Question: Was that the only time you provided a report?

Answer: There may be other matters as well, but I do not recall them.

[Basic facts regarding the personal information leak]

Question: Please describe in more detail the tasks you handled in relation to the large-scale Coupang personal information leak (hereinafter the "Leak") that was reported to the relevant authorities in November 2025.

Answer: Initially, Coupang reported the leak to the Personal Information Protection Commission (PIPC) and Korea Internet & Security Agency (KISA). After that, KISA visited the company to receive updates on the progress, and at that time, the Cyber Investigation Unit

of the police asked whether they could also attend. As the police became involved, this matter could become linked to litigation, so I participated in the meeting and received the updates. Later—although I do not recall the exact timing—we filed a criminal complaint against the individual responsible for the personal information leak for violation of the Information and Communications Network Act. I reviewed that complaint, and after the filing, whenever the Cyber Investigation Unit requested materials, I was the one who responded to such requests. And in December 2025, when the Cyber Investigation Unit executed a search and seizure at Coupang’s head office, I was also fully responsible for providing the requested materials and cooperating with the execution of the search.

Question: When did you first become aware of the Coupang personal information leak?

Answer: I am not certain whether I was aware of the situation at the time of the report to the relevant authorities on November 19, 2025. But at least when KISA and the police came to receive updates on the progress, I attended the meetings and became familiar with the related matters to that extent. At some point, the police began sending a large volume of requests for materials, and from then on, I started handling the work in earnest.

Question: When did you first begin work related to responding to the Coupang personal information leak?

Answer: It was when I first attended the meeting where KISA and the police would be briefed on the progress.

Question: According to related records, the first such meeting took place on November 21, 2025. Is that correct?

Answer: To the best of my recollection, it was a Friday, so that date seems correct.

Question: Due to the occurrence of the Leak, has there been any addition or change to the tasks you are responsible for?

Answer: I would not have been involved if it was an ordinary security breach incident. However, since the police were involved with regards to this case, I ended up taking on much of the responsibility. When it was confirmed initially that the personal information leak involved over 4,500 individuals, relevant information was simply being shared with me. However, after a report was made that the leakage involved 33.7 million people, the police began to request a large number of materials, and given the significant concern that it could develop into a class-action lawsuit, I began paying much more attention.

Question: To my understanding, a class-action civil lawsuit has been filed against Coupang. Are you handling that as well?

Answer: Yes, but I have been so busy that I have not been able to pay proper attention to it.

Question: What tasks did the employees of your team perform in relation to the Leak?

Answer: Attorney [REDACTED] I mentioned earlier handled many of the matters that required real-time responses among my work. And since Shin & Kim LLC was retained, we also worked extensively with attorneys from Shin & Kim LLC.

Question: Is it the case that in the ordinary course of responding to a security breach incident, the teams handling legal matters do not get involved?

Answer: Among the legal teams, there is a team responsible for privacy (Privacy & InfoSec Legal), which normally conducts related reviews, but this case was too huge that our team had become involved.

Question: Then, was Privacy & InfoSec Legal also involved in responding to the Leak?

Answer: Yes, the team is responsible for working-level matters.

Question: What tasks did the Privacy & InfoSec Legal team mainly handle in relation to the Leak?

Answer: Since we handle personal information of a very large number of customers, there are many tasks related to conducting reviews on personal information. The team normally performs such tasks, and it is also the first team to handle related matters in the case of a personal information breach incident.

Regarding the Leak, I was in charge of responding to the police, while the Privacy & InfoSec Legal team responded to data requests, etc. from KISA and the PIPC.

Question: Do you know who the head of the Privacy & InfoSec Legal team is?

Answer: It is Attorney [REDACTED]

Question: Was there an online space—such as a group chat, etc.—used for sharing information on or reporting Coupang’s personal data leakage in which you participated?

Answer: Yes, I do not recall clearly because such chat rooms were created and deleted as needed. But I believe there was a chat room where materials submitted to the police, KISA, and the PIPC were listed and shared. And I believe there was also a chat room where pending questions from the MSIT or the PIPC were discussed. There was also a channel to provide responses to PR personnel upon media inquiries.

Question: Was there a separate space such as a group chat room to discuss matters related to contacting the leaker of Coupang’s personal information or the recovery of the devices used in the crime?

Answer: Yes. For that, we used a mobile messenger app (Signal), not the company’s internal messenger app (Slack).

Question: The various chat rooms you mentioned earlier—were they all Slack channels?

Answer: Yes.

Question: Is there a particular reason for using Signal as the group chat room when discussing matters related to contacting the leaker of Coupang’s personal information or the recovery of the devices used in the crime?

Answer: We often use Signal for work-related matters. There was no particular reason for using Signal.

Question: Did the group chat room have a specific name?

Answer: I do not recall clearly.

Question: Who was in the Signal group chat room?

Answer: Me, Managing Director [REDACTED] Vice President [REDACTED] and [REDACTED] (often referred to as [REDACTED]).

Question: I will refer to this chat room as the ‘Signal chat room’. Do you remember when and for what purpose the Signal chat room was created?

Answer: There was a time when we received a request from the National Intelligence Service and had a meeting with them. I created the chat room on the day we had that meeting.

Question: Did you personally invite all three members?

Answer: I do not recall clearly, but I believe so.

Question: Based on what criteria did you invite them?

Answer: Managing Director [REDACTED] had met the NIS personnel along with me, Vice President [REDACTED] is my manager, and [REDACTED], as I understand, is affiliated with the US Legal team, although I am not completely certain, and he is in charge of the Asia region. The day before the NIS requested to meet with them, the leaker of the personal information contacted a Coupang employee via a messenger app. [REDACTED] relayed the text message to me, and I thus assumed that [REDACTED] was the person responsible for this matter.

Question: Were specific roles assigned to each participant in the chat room?

Answer: Not in particular.

Question: Can it be understood that the chat room was created to share relevant updates of the situation in general?

Answer: Yes.

Question: Do you know the job level of [REDACTED]?

Answer: I only know that it is high.

Question: You stated that [REDACTED] handles the Asia region. Considering that the main regions of Coupang's business operations include Korea, Taiwan, Japan, and China, it seems that his scope of responsibility is extensive. Aside from [REDACTED], are you aware of any other personnel from the US Legal team who were involved in connection with the Leak?

Answer: In the beginning, I communicated only with [REDACTED], but after a specific time point, [REDACTED] feedback decreased significantly, and I started communicating more frequently with [REDACTED].

Question: Are you aware of the tasks that [REDACTED] handles?

Answer: To my understanding, he handles U.S. or international litigations and receives reports on major litigation matters in relation to Korea.

Question: Did you have any contact with [REDACTED] or [REDACTED] even before the Leak occurred?

Answer: Barely—perhaps once or twice. Rather than communicating with [REDACTED] directly, I engaged in work-related communication with the attorneys from the Patent team, which is under [REDACTED]. In relation to [REDACTED], I recall relaying certain information regarding a report on a counterfeit teacup product of Hermes which was sold on the Coupang platform, upon his inquiry.

Question: Can you provide the personal information or contact details of [REDACTED] and [REDACTED]?

Answer: I am not aware of such information.

Question: Which method of communication did you use when engaging with [REDACTED] or [REDACTED]?

Answer: Company email, internal messenger app, and Signal, etc.

Question: Can you provide methods of communication such as email addresses for contacting [REDACTED] and [REDACTED]?

Answer: I will provide them upon obtaining their consent.

Question: Does the Signal chat room still exist?

Answer: Yes, I believe so.

Question: Do you remember when the last conversation occurred in the Signal chat room?

Answer: As the setting of the chat room is configured to automatically delete messages on a regular basis, I do not recall clearly when the last conversation occurred.

Question: Did you activate the auto-deletion function of the Signal chat room when you created the room?

Answer: I am not sure who activated it. Generally, I do activate it as a matter of routine.

Question: Is there a particular reason for using the auto-deletion function?

Answer: Since the conversations are related to matters on company security, I believe that so long as the communication is achieved at the time, that is sufficient, and that not leaving a record would help communication.

Question: Is it not the case that there is a separate security policy existing within the company?

Answer: There are no separate instructions to the effect that an auto-deletion feature has to be activated on the Signal messenger app.

Question: Since the creation of the Signal chat room, have there been any changes to its participants?

Answer: No.

Question: It seems that the chat room was used to share important information about the Leak. Is there a reason why the CEO at the time, Park Dae-jun, was not included in the room?

Answer: Because Managing Director [REDACTED] was there. To my understanding, only the necessary people were included. If anyone thought that he should join the chat room, they would have invited him, but they didn't.

Question: Did you assume that Managing Director [REDACTED] would report to CEO Park Dae-jun?

Answer: Yes.

Question: Have you ever directly reported matters related to Coupang's personal information leakage incident to the representative director Park Dae-jun of Coupang Corp. or to Harold Lynn Rogers?

Answer: I have not.

Question: Then did Vice President [REDACTED] report directly to them?

Answer: I do not know how matters were reported beyond my reporting line.

Question: Even regarding the Leak, did you only report to Vice President [REDACTED]?

Answer: Yes.

Question: After the representative director of Coupang Corp. had changed from Park Dae-jun to Harold Lynn Rogers, were there any changes in the scope, recipients, or methods of reporting?

Answer: To the best of my perception, there was nothing in particular.

Question: Have you ever directly reported matters related to Coupang's personal information leakage incident to the Chairman of Coupang, Inc., Kim Bom-suk, or to any other executives of the U.S. entity?

Answer: No.

Question: What means of communication did you use when reporting matters related to the Leak to VP [REDACTED]?

Answer: I used email, the internal messenger, Signal, phone calls, and I also reported to him in person.

Question: Do you know what information Coupang Corp. has provided to Coupang, Inc. regarding the Leak?

Answer: I'm not aware of anything.

Question: Do you know who or which department at Coupang Corp. communicates directly with Coupang, Inc.'s executives about the Leak?

Answer: I don't know.

Question: Are you aware that Coupang has also established a legal entity in China?

Answer: Yes. I first learned of its existence when we began responding to the breach. Before then, I only knew about the entity in Taiwan, not the one in China.

Question: Do you know the name of the Chinese entity?

Answer: I cannot quite remember it.

Question: It appears to be "Coupang Shanghai Trading Co., Ltd." when I looked it up— does that sound correct?

Answer: I'll need to check once I return to the office.

Question: Do you know what business that entity was established to handle?

Answer: I'm not sure.

Question: Do you know whether the Chinese entity has its own legal team?

Answer: I've heard they have one legal employee.

Question: Do you know to what extent Coupang Corp. or Coupang, Inc. is involved in the operations of the Chinese entity?

Answer: I don't know.

Question: Have you ever communicated with the legal department or other executives/employees at the Chinese entity?

Answer: Yes, in connection with the breach incident.

Question: When and regarding what matter?

Answer: We needed to send a message to the individual responsible for the data leak. Our

initial plan was to contact him via WeChat, but we couldn't add him as a friend even after registering his number. I reached out to the Chinese entity to ask about this. The leaker had posted messages about the breach incident to Chinese employees, and an employee of the Chinese entity forwarded those to me. That is why I contacted that employee. In the end, the issue couldn't be resolved, so we sent a regular message instead.

Question: Do you know whether the Chinese entity also handled any tasks related to the response to the data leak?

Answer: I don't know.

[Tasks related to the personal data leak]

Question: Are you aware that between November 9 and 18, 2025, the leaker has sent blackmail emails to approximately 2,200 Coupang members using email addresses containing "coupang.com"?

Answer: Yes. The police requested related data, so I compiled and provided that information.

Question: When did you become aware of this?

Answer: When the police made their request.

Question: Aside from that, did you perform any other tasks related to responding to the blackmail email?

Answer: We filed our incident report on November 19, 2025. We became aware of the issue when a customer notified us. The customer's email address included the string "coupang.com," which led us to identify the issue. Around that time, I also recall vaguely seeing in passing that multiple emails had been sent to addresses containing the string "coupang.com" from the materials used during a meeting with KISA.

Question: Each time you provided materials to the police, did you receive instructions from Vice President [REDACTED] or did you report it to him before or after submission?

Answer: It depended on the matter. I reported matters that I judged he needed to be informed of.

Question: You are aware that Coupang announced on November 20, 2025, that personal information of approximately 4,536 customers had been leaked, correct?

Answer: Yes.

Question: Do you know how it was determined that the personal information of 4,536 customers had been leaked?

Answer: I wasn't directly involved in the investigation, but I learned about it from reading the reports submitted to the authorities.

Question: You were not directly involved in connection with your work, correct?

Answer: Correct.

Question: Coupang reported the incident to KISA on November 19, 2025, and to the Personal Information Protection Commission on November 20, 2025. Did you or your department have any involvement in those filings?

Answer: No. I believe the Privacy & InfoSec Legal team handled them.

Question: What tasks did you perform as part of the response to the leak of 4,536 customers' data?

Answer: As I mentioned, at that time I mainly received updates.

Question: Are you aware that on November 25, 2025, the leaker sent a blackmail email claiming that approximately 33 million Coupang member data had been leaked?

Answer: Yes. I didn't know at the time it was sent, but I learned of it within a few days. I'm not certain how — I believe I saw it in the reports submitted to government agencies.

Question: What tasks did you perform in responding to the blackmail email regarding the leak of 33 million data?

Answer: I don't recall working on that email specifically.

Question: Do you know when Coupang Corp. became aware that 33 million personal data had been leaked?

Answer: I only know from reviewing the reports. My understanding is that the security team verified the authenticity of the email and assessed it as credible.

Question: When did you personally become aware of it?

Answer: I'm not sure exactly — whether from a report or a meeting. There was a lot going on at that time. But I certainly knew when the police requested related materials.

Question: Do you know how it was determined that 33 million personal data had been leaked?

Answer: From a technical aspect, my understanding is that the leaker obtained the data by accessing names and email addresses stored on login.coupang.com.

Question: Did you have any role in confirming or announcing the leak of 33 million customers' information?

Answer: No.

A short break taken at 15:55.

Questioning resumed at 16:06.

[Factual circumstances related to the contact with leaker]

Question: Do you know who was identified as the suspect in Coupang's data leak?

Answer: Yes — [REDACTED] known as [REDACTED]

Question: Do you know when he was first identified as a suspect by Coupang?

Answer: I don't know the exact date, but I understand it was reported to the authorities on November 28, 2025, so the identification occurred before that.

Question: After [REDACTED] was identified, did Coupang consider reaching out to or contacting him?

Answer: I'm not aware.

Question: Did Coupang assess the possibility of retrieving the devices [REDACTED] has used for the crime?

Answer: I'm not aware.

Question: Former CEO Park Dae-jun reportedly stated in a meeting hosted by Deputy Prime Minister around November 30, 2025, that the suspect's devices needed to be retrieved. Are you aware of this?

Answer: I didn't know at the time. I heard of it later.

Question: Park Dae-jun's comment suggests the company may have reviewed the legal issues beforehand. Is it correct that you did not conduct such a review?

Answer: Correct.

Question: If not you, did anyone in your department brief you on such a review? Or are you aware of any review that may have been conducted by another department?

Answer: No.

Question: Do you know where the initial idea of retrieving the devices originated from?

Answer: No.

Question: Are you aware that on the morning of December 1, 2025, [REDACTED] contacted the police investigation team in charge of Coupang's personal data leak and proposed engaging in real-time communication with the suspect and encouraging voluntary surrender of the devices?

Answer: No.

Question: That afternoon, [REDACTED] reportedly told the police that as a Chinese national handing over one's own data directly to Korean police could violate China's National Security Act, the plan is to receive the materials via the means of routing the local Chinese legal entity instead. Did you or your department review or receive any reports on such legal procedures in relation to China's National Security Act etc.?

Answer: No. I wasn't aware at the time. This issue came up later, when the NIS suggested reaching out to the suspect through a Chinese employee. I recall that [REDACTED], in the Signal chat, mentioned that such contact might violate China's National Security Act.

Question: You are aware that the NIS reached out to Coupang regarding a contact with the suspect, correct?

Answer: Yes.

Question: Do you know who received contact from whom?

Answer: From my standpoint, Managing Director [REDACTED] has said to me that the NIS wants to meet us and if I could come with him.

Question: Do you remember when he asked you to accompany him?

Answer: I don't remember the exact date.

Question: Was there a reason he specifically asked you to join?

Answer: At that time, I was handling the police data-submission work, and the volume of materials to be submitted was enormous. I guess he sought me out thinking that I had a high level of understanding of the data-breach incident as the person responding to it.

Question: Please describe any encounters or communications that have taken place between Coupang employees and the NIS officials from that point onwards to the best of your

recollection.

Answer: On the day we received the request, I was at the company and went down to the lobby floor of our main office to meet two NIS employees (a director general whose name is unknown and Director [REDACTED]) together with Managing Director [REDACTED]. After that, we secured a meeting room and had a conversation. I don't remember exactly what was discussed at the time, but I do recall mentioning that Coupang's cooperation was necessary to retrieve the personal data that had been leaked overseas, and that there was a golden time for this matter, so Coupang needed to act quickly.

Question: According to [REDACTED] statement, at around 4:00 p.m. on December 1, 2025, four people — [REDACTED], you, and two NIS officials — met in person at the café located in the basement floor of Coupang's headquarters. Is this true?

Answer: Because it felt inappropriate to talk in the basement café, we moved to an internal meeting room to continue the conversation.

Question: Did you let the NIS officials know who the personal data leaker was at the meeting?

Answer: No.

Question: Then did you let the NIS officials know that the personal data leaker was identified?

Answer: That was the premise of the conversation.

Question: Regarding the contact with the NIS on that date, to whom did you report it and what did you report?

Answer: We received a request from the NIS and told them that we would review it. I don't clearly remember whether I reported it to Vice President [REDACTED] that same day. However, at the very least, I did report the matter to him the following day.

Question: Do you remember what means you used in making that report?

Answer: It was either in person or by phone, but it was more likely in person.

Question: Have you conducted a legal review of whether information on [REDACTED] can be provided to the NIS?

Answer: Yes, I'm not completely certain, but I believe that on the same day I met with the NIS, I contacted Shin & Kim, the law firm. After making the inquiry, I received a response within about one to two hours, and as I recall, their position was that the matter should be handled with caution.

Question: Whom did you contact at Shin & Kim?

Answer: I'd rather not say right away. I think I can tell you after I check with that person first.

Question: By what means did you make the inquiry?

Answer: By phone.

Question: Did you receive the response also by phone?

Answer: Yes.

Question: Are you aware that the legal team of Coupang received an official letter from the

NIS?

Answer: Yes.

Question: Do you remember by which means did the team receive the official letter?

Answer: As I recall, it was around lunchtime on December 2, 2025. Managing Director [REDACTED] asked me whether the company had a fax machine, so I gave him the fax number, and the document was received through that number.

Question: Do you know the fax number?

Answer: I will check and let you know.

Question: Do you remember what the content of the official letter was?

Answer: Yes, that the NIS has jurisdiction over breach incidents. As this is an international cybersecurity incident, there is a legal basis for performing the related duties under the National Intelligence Service Korea Act. And the letter cited Article 5 of the Act, which was interpreted that the company must comply with the NIS's request. It also stated that this was part of a joint government response. Based on these grounds, they were requesting the company's cooperation in providing materials, although the specific materials being requested were not identified.

Question: Did you conduct any legal review after receiving the official letter as to whether it would be permissible to comply with the NIS request?

Answer: Yes, I personally reviewed it and also asked Shin & Kim, the law firm.

Question: Did you and Shin & Kim both finished the review on the same day?

Answer: Yes.

Question: When you made the inquiry with Shin & Kim, did you do it by phone and receive the response also by phone?

Answer: Yes.

Question: What was the conclusion of each review?

Answer: As stated in the NIS's official letter, since this is an international cybersecurity matter, it is appropriate for the agency to carry out the data-recovery work. And our conclusion was that if the NIS requested materials or other forms of cooperation, we must comply. Since the document also mentioned a coordinated government response, I understood this to mean that the agency would be able to communicate appropriately with other government bodies going forward.

Question: Were there any diverging views between the reviews?

Answer: No.

Question: Was the outcome of the legal reviews documented in writing or any other form?

Answer: No. It was not.

Question: Did you report the results of the legal reviews to Vice President [REDACTED]?

Answer: Yes.

Question: When and how did you report it?

Answer: Either in person or by phone. Since I received the official letter on December 2 at

lunchtime, the report was likely made in the afternoon.

Question: Did Vice President [REDACTED] provide any feedback after receiving the report?

Answer: He just acknowledged it. Also, on the evening of December 2, a request came from the NIS to meet. I reported this contact and what materials to submit to Vice President [REDACTED] beforehand.

Question: How was the report made on the evening of December 2?

Answer: Either in person or by phone.

Question: Was compliance with the NIS's information request a matter approved by CEO Park Dac-jun?

Answer: I don't know as I didn't report it separately.

Question: Regarding compliance with the NIS request, have you reported to or received instructions from US Legal or executives such as Kim Bom-suk and Harold Lynn Rogers of Coupang, Inc.?

Answer: I have not. I am also unsure if others have.

Question: In the Signal group chat, were the NIS's initial contact with Coupang, the NIS's official letter sent, and provision of materials on December 2, 2025 shared?

Answer: I believe they were shared. I don't specifically recall what individual matters were shared, but I do remember sharing a photo of the official letter. I remember explaining the purpose of that official letter in English along with a photo of the Korean document because they wouldn't understand it in Korean.

Question: Was all communication in the Signal chat conducted in English?

Answer: That's probably the case in that chatroom.

Question: After receiving the NIS official letter, please state to the best of your recollection any meeting or communication that occurred between Coupang Corp. employees and the NIS officials on December 2, 2025.

Answer: They asked if we could come to a restaurant in Yangjae-dong in the evening, so we went there and met with NIS Investigation Division Chief [REDACTED] and Investigator [REDACTED]. When I went there, I printed out and brought all of [REDACTED] personal information. I provided the detailed materials—passport, residence card, personnel file with Chinese address, resume, etc.—which had already been submitted to the police. It was a meeting where we stated we would cooperate fully with the NIS and fulfill their requests. After reviewing the materials we provided, the NIS commented that [REDACTED] has an impressive background and since he appears to be a respectable individual living a legitimate life rather than a shadowy hacker, the likelihood of meeting him and retrieving the data is high. They also mentioned that although Coupang had identified this person as the leaker, technical verification should proceed on a separate, parallel track. Therefore, they said that they would examine the evidence used to identify him as the leaker to verify if he was indeed the actual leaker and that given the time constraints, they planned to simultaneously confirm [REDACTED] whereabouts and verify his status as the leaker.

One important point is that after our report identifying the suspect on November 28, 2025, the police reacted sensitively to all matters related to the suspect. As we understand it, they considered it inappropriate to disclose information about the suspect in front of other regulatory agencies. Therefore, we understand there were repeated requests not to discuss

information about the suspect or consider meeting him as a company. Furthermore, on November 30, 2025, the leaker approached a Coupang employee. When we reported this to the police and asked how to proceed, I recall receiving the comment that the employee should not engage in a conversation that assumes the leaker a hacker, beyond the level of a typical everyday conversation.

In any case, even though we didn't have a detailed plan, we were concerned that if we ended up supplying suspect-related information to the NIS and engaging with them, the police might take serious issue with it. Managing Director [REDACTED] and I shared those concerns a lot with the NIS. The NIS stated they would communicate well with the police, and for the success of the operation, all activities with the NIS must not be disclosed to any agency, including the police, from a confidentiality standpoint. They also said the NIS would handle post-operation communication well.

Question: Were the discussions held at that meeting reported to Vice President [REDACTED]?

Answer: I believe the basic intent was likely reported. I don't remember whether each individual matter was reported because there was so much going on, but these kinds of issues are normally be reported.

Question: After providing the NIS with personal information, etc. about [REDACTED] were there any meetings or communications between Coupang Corp. employees and NIS personnel? Specifically, regarding the recovery of devices used in [REDACTED] crime, please state what discussions took place and when, to the best of your recollection.

Answer: The first thing I recall is that [REDACTED] posted a lengthy message in a WeChat group chat composed of Coupang China employees. The gist of the message was that: "Coupang is defaming a former Chinese employee by framing him as an information leaker. Therefore, I will lodge a complaint with Coupang's legal team. If you can reach Coupang's legal team, please let me know." [REDACTED] likely posted that conversation in the Signal group chat, and Managing Director [REDACTED] immediately reported it to the NIS. At that point, the NIS immediately provided feedback stating that it seems the leaker wants to contact us now, so it would be good if the Chinese employee in the WeChat group chat could try to talk to the leaker. Regarding this, [REDACTED] expressed significant reluctance due to the previously mentioned issue concerning China's National Security Law.

Question: How do you know that Managing Director [REDACTED] reported directly to the NIS and received feedback?

Answer: That would have been shared in the Signal group chat.

Question: Please continue.

Answer: Even to me, it seemed like a highly risky act. I do not clearly remember whether I contacted Managing Director [REDACTED] directly or discussed it with him in the Signal chatroom, but I told him that even if it is a request from the NIS, it would be better to explain that this is difficult for us to comply with given our circumstances. Managing Director [REDACTED] agreed. As a result, the matter was left without further action. After that, the NIS made another request, suggesting that since the leaker's message refers to the Coupang Korea legal team, the Coupang Korea legal team reach out to the leaker.

However, within our company, there was a perception that it would be risky for our own employee to engage in this act (contacting the leaker), and generally, no one preferred that approach. Still, because it was a request from the NIS, and since the risk of the Chinese National Security Law issue was relatively lower for an employee of the Korea legal team, we decided to comply with the NIS's request.

Question: Was there any legal review conducted regarding whether it would be permissible for the Korea legal team to contact [REDACTED]?

Answer: No, not particularly.

Question: Then who determined that “since the risk of the Chinese National Security Law issue was relatively lower for an employee of the Korea legal team, we decided to comply with the NIS’s request”?

Answer: It’s a bit unclear, but in the Signal chatroom, it naturally developed into the idea that I would contact [REDACTED]

Question: From the time you became aware that [REDACTED] had posted a long message in the WeChat group of Coupang’s Chinese employees to the time the decision was made for you to contact him—was that all on the same day?

Answer: No, there was a time gap.

Question: Do you remember when [REDACTED] posted [REDACTED] WeChat group message in the Signal chatroom?

Answer: I do not remember.

Question: Do you recall the date the decision was made for you to contact [REDACTED]?

Answer: I don’t know the exact date when the decision was made, but I sent the message on December 9, 2025.

Question: So, you did not send the message on the same day the decision was made?

Answer: I’m not certain.

Question: According to [REDACTED] statement, on December 5, 2025, around 13:00, he, you, [REDACTED] from the [REDACTED] team, and two NIS officials including investigator [REDACTED] met at a shared office near the Coupang HQ (around the Jangmi Arcade) to explain the technical aspects of the personal-data leak. Is this true?

Answer: Yes.

Question: What was discussed during that meeting? Please answer based on your recollection.

Answer: The NIS wanted to hear an explanation regarding the basis on which Coupang identified the leaker and the scope of the breach. Accordingly, we provided a technical explanation of the logic used to determine the scope of the breach for each affected URL. We continued explaining the technical aspects, and what I recall is that we explained the fact that the leaker had continuously used the same session ID from June 24, 2025; the materials regarding how breach attempts could be identified on mc.coupang.com, which contained order information, and id.coupang.com, which contained address book information; and identification based on the referrer.

Question: Besides technical matters, was there any discussion on contacting [REDACTED] or retrieving the devices used in the crime?

Answer: Those topics were mainly discussed by Managing Director [REDACTED]. As I recall, much of the conversation revolved around technical vendors—specifically, which vendor would verify the breach if the leaker were to be met in China. Coupang had several global vendors in mind and the NIS recommended a vendor called “Plainbit.” We raised the

view whether it wouldn't be necessary to review whether Plainbit could carry out such work in China. No definitive conclusion was reached but many ideas were exchanged.

Question: [REDACTED] posted a message in a WeChat group for Chinese employees of Coupang Korea on December 5, 2025, claiming he was being treated unfairly and asking for the Korea legal team's contact information. After that, has there been any instance in which he actually contacted the Korea legal team first?

Answer: No. I recall asking [REDACTED] in the Signal chatroom if he had contacted the China legal team, but I think he said no.

Question: Then, is it correct that the first time Coupang contacted [REDACTED] was on December 9, 2025, which you stated earlier?

Answer: Yes.

Question: By what means did you contact him?

Answer: I sent an MMS text message via international dialing to [REDACTED] Chinese phone number.

Question: Did you send it from your number, [REDACTED]

Answer: Yes.

Question: Coupang's document, written in December 2025, to share the investigation findings, indicates that an email was sent on December 9, 2025.

Answer: I sent the same content to the email address listed in [REDACTED] personnel file [REDACTED]), and to the two phone numbers listed in there. Later, on December 11, I received a reply from what appears to be his spouse's number.

Question: Did you use your current Coupang email account to send the email?

Answer: Yes.

Question: What did you write?

Answer: Regarding the content to be sent, the NIS instructed us not to treat [REDACTED] as a hacker, but to have a calm conversation focusing on technical aspects rather than legal liability. Since [REDACTED] said he wanted to contact the Korea legal team, as a response to that, I wrote something like, "I am with the Korea legal team."

Question: Did you write it in English?

Answer: Yes.

Question: Do you recall any detailed wording?

At this point, the declarant checked the message on his phone and answered.

Answer: I wrote: "I am with the Korea legal team and handle litigation. I heard that you wanted to meet with the Korea legal team to resolve the issue. We also want to speak with you, and any conversation we have will not be used in legal proceedings. We will discuss this purely from a technical perspective. We have also hired a third-party technical vendor for this. We are open to any communication method you prefer. We look forward to hearing from you."

Question: Are you willing to submit this text message or the original email of the same content?

Answer: Let me discuss this once I return to the office and provide it if necessary.

Question: Did you report sending the message or email to Vice President [REDACTED]?

Answer: I likely shared it in the Signal chatroom.

Question: Did you directly send the email?

Answer: Yes.

Question: Regarding contacting [REDACTED], did you ever report to or receive instructions from executives, like Park Dac-jun, US Legal, Coupang, Inc.'s Kim Bom-suk, or Harold Lynn Rogers on the act of contacting him or the content of the message?

Answer: I do not recall reporting to them separately. However, we continuously discussed the wording of the message in the Signal chatroom.

Question: Did [REDACTED] respond to your initial contact?

Answer: No.

Question: After the initial contact on December 9, 2025, did you reach out to him again?

Answer: Yes, I did. I contacted him on December 11, 2025, and this time, too, the NIS gave specific instructions that it would be preferable to attempt a second contact and, this time, to set a more firm deadline for the response, and on this occasion I specified the time myself and sent a message stating when I would call.

Question: Was the instruction of the NIS delivered by Managing Director [REDACTED]?

Answer: Yes, all communication with the NIS was handled by Managing Director [REDACTED]
[REDACTED]

Question: Where did you send the second message?

Answer: Most likely the same email and the same two phone numbers as the ones used in the first contact.

Question: Do you still have the second text message?

Answer: Yes.

Question: Can you tell us what it says?

At this point, the declarant checked the message on his phone and answered.

Answer: I wrote: "This is [REDACTED] from the Coupang Korea legal team. I would like to call you at 1:30 Korea time (The message was sent at 11 a.m.). I plan to call you at that time. If you will be available at another time, please let me know".

Question: Did [REDACTED] reply to the second contact?

Answer: Yes. At 12:39 p.m. Korea time that same day, he wrote: "Hi [REDACTED], how about contacting my lawyer, Mr. [REDACTED]?" and provided his phone number.

Question: Can you provide Mr. [REDACTED] name, affiliation, or phone number?

Answer: I would need to look that up.

Question: Did you actually call afterwards?

Answer: Yes.

Question: When did you call?

Answer: I called at around 13:30 on December 11, 2025.

Question: From whose phone?

Answer: Mine.

Question: Was anyone with you during the call?

Answer: Vice President [REDACTED] and Managing Director [REDACTED] were with me.

Question: Where did you make that call?

Answer: We booked a meeting room at Coupang headquarters, and a Chinese interpreter affiliated with Coupang was also present.

Question: What conversation did you have?

Answer: I don't remember the details exactly, but I said something along the lines of: "I'm with the Korea Legal team, and since you said you are [REDACTED] attorney, I would like to discuss the breach incident that occurred in Korea. However, the purpose of this conversation is not to discuss legal liability but to understand the issue from a technical perspective, so it would be preferable for [REDACTED] to join the call personally." The attorney responded by saying, "If you send me an email outlining what you intend to ask, I will speak with [REDACTED] [REDACTED] That was the main substance of the conversation.

Question: Did you share the details of your call with [REDACTED] attorney in the Signal chat room as well?

Answer: I believe so.

Question: Around December 10, 2025, CEO Park Dae-jun of Coupang Corp. resigned, and Harold Lynn Rogers became the new CEO. From that point on, were there any changes in the reporting structure regarding the Coupang the personal information leakage incident?

Answer: I'm not sure.

Question: I understand that before CEO Park Dae-jun resigned, Managing Director [REDACTED] [REDACTED] sometimes reported directly to him. Do you know who reports to CEO Harold Lynn Rogers regarding the personal information leakage incident?

Answer: I do not know.

Question: After December 11, 2025, in what manner did you communicate with [REDACTED] attorney in China?

Answer: I believe [REDACTED] attorney provided an email address and the NIS also offered input on what content would be appropriate to send via email. On Coupang's side, since [REDACTED] [REDACTED] had been contacting Coupang through a lawyer, we thought it would be better for us as well to handle future communications through outside counsel going forward. This was because there was a persistent underlying concern about Coupang employees taking action directly. Our personal information breach incident was being handled by a U.S. law firm called "Kirkland", and since I was told that they would take charge of the response, I understood that the matter proceeded in that manner.

Question: How do you know about the instruction to communicate with [REDACTED] attorney through external counsel and that Kirkland will respond to the matter?

Answer: I heard it from [REDACTED]. I believe it was through the Signal chat room.

Question: Are you aware of a law firm in Shanghai, China called Han Kun Law Offices?

Answer: I became aware of it during the process of recovering the devices used in the crime.

Question: Did you or Vice President [REDACTED] retain Han Kun Law Offices?

Answer: I have no knowledge of that.

Question: Have you ever communicated with any staff member of Han Kun Law Offices?

Answer: As I recall, a cooperation agreement was drawn up between [REDACTED] and Coupang, and since the document required a seal, an attorney from Han Kun Law Offices sent an email to me. I remember receiving the agreement that had supposedly been sealed by [REDACTED], by email, around midnight on December 14, 2025. I printed it out, scanned it, and sent it back.

Question: Do you know who else from the company, besides yourself, communicated with the staff at Han Kun Law Offices?

Answer: I am not sure. However, I do know that Managing Director [REDACTED] visited Han Kun Law Offices during his trip to China.

Question: According to the material shared in December 2025 regarding the Coupang incident investigation, it is stated that on December 13, 2025, Coupang's outside counsel met with [REDACTED] attorney. Do you know who the "outside counsel" refers to in this context?

Answer: I am not sure who the outside counsel refers to.

Question: Aside from the attorneys from Han Kun Law Offices in China, is it possible that any attorneys from Kirkland in the United States or from any other law firm contacted [REDACTED] or [REDACTED] attorney?

Answer: I am not sure.

Question: Are you aware that around December 13, 2025, the personal information leaker sent an email to the Coupang Customer Center apologizing for the crime and stating to the effect that he had deleted the data in his possession?

Answer: Yes, I am aware. My understanding is that the meeting between [REDACTED] attorney and ours took place on December 14, 2025. On December 13, 2025, [REDACTED] attorney likely told the outside counsel (I do not know which firm it was) that since Coupang is treating [REDACTED] like a criminal, [REDACTED] has no intention of engaging in dialogue, and there was a process of trying to persuade him. I recall being updated on this fact on the day, on December 13, 2025. I believe it may have been shared via the Signal chat room, but I am not entirely certain.

Question: The material regarding the Coupang incident investigation shared in December 2025 indicates that on December 13, 2025, Coupang's outside counsel met with [REDACTED] attorney. Could you confirm this matter and inform us later?

Answer: Yes, I will check and let you know.

Question: You previously stated that something like a cooperation agreement was prepared with [REDACTED]. Do you know what that agreement contained?

Answer: The main purpose was for [REDACTED] to agree to return the devices used in the

hacking. In turn, the company agreed not to pursue criminal charges in China, not to register [REDACTED] as a cyber-terrorist in the United States, and to request withdrawal of the criminal complaint in Korea. Those were the kinds of terms that I recall.

Question: I will refer to this cooperation agreement simply as the “contract.” You stated that Han Kun Law Offices asked you to affix the company seal to the contract, correct?

Answer: Yes.

Question: Did you draft or review the content of the contract beforehand?

Answer: No.

Question: Then was that the first time you saw the contract —when Han Kun Law Offices sent it to you for sealing?

Answer: Yes.

Question: Before seeing what was contained in the contract, were you aware of the fact that such a contract was being drafted with [REDACTED]?

Answer: No. However, after the contact on December 11, 2025, I recall that various scenarios were being discussed in preparation for a potential meeting with [REDACTED], and [REDACTED] occasionally asked for my opinions. But I was not asked to review the actual content of the contract beforehand.

Question: After receiving the contract that required sealing, did you share it in the Signal chat room or report it to Vice President [REDACTED]?

Answer: Yes, I probably shared it.

Question: Didn’t you obtain approval from the Signal chat room or from Vice President [REDACTED] before affixing the seal?

Answer: It was around midnight, so I did not seek approval separately. [REDACTED] said that someone needed to affix the seal to the contract, so I rushed to the office late at night to affix the seal. I had to do so because I needed to print and scan it myself.

Question: Did you not receive any direct word from [REDACTED] beforehand regarding the fact that a contract was being drafted or what its content was?

Answer: No, I did not.

Question: When you received the contract, had [REDACTED] signature or seal already been completed?

Answer: Yes, I recall that [REDACTED] signature was already on it.

Question: Did you receive the email from the Han Kun Law Offices staff after [REDACTED] told you that the contract needed to be sealed?

Answer: Yes.

Question: Did you review the content of the contract before affixing the seal?

Answer: Initially, a version with an incorrect format arrived, which gave me some time to try translating it. The Agreement was written in Chinese.

Question: Then did you receive the email twice in total?

Answer: I received it multiple times because something was not quite right.

Question: Did you request revisions to the format or content or was Han Kun Law Offices revising it on their own and resending it?

Answer: As far as I recall, I did not request any revisions.

Question: What is the reason the contract was drafted with you as the representative signatory?

Answer: [REDACTED] conveyed that [REDACTED] side requested an executive with a certain level of seniority in Korea to sign it. Since I am the executive in charge of litigation, I suppose it was appropriate for me to do it. Later, [REDACTED] side even asked for my business card, which I believe was to confirm that I indeed held a suitable executive position.

Question: Looking at the contract identified during the investigation of the Coupang personal data leak case, it appears that promises were made to: withdraw the criminal complaint in Korea; not pursue criminal liability in China and the United States; and pay appropriate costs for the recovered devices. What do you believe was the reason for entering into this type of arrangement, which could arguably call Coupang's objectivity into question in this matter?

Answer: This is just my opinion, but at that time, recovering the devices was the highest priority for the company, and we were in a situation where [REDACTED] might change his mind at any moment and refuse to meet us. I believe the purpose was to ensure that [REDACTED] would definitively hand over the devices.

Question: There is a clause about paying appropriate costs for the recovered devices. Do you know anything about the nature of those costs, the amount, or the manner in which they were paid?

Answer: I do not know the actual payment details. I believe I saw the discussion process in the Signal chat room, but in any case, since we were not treating [REDACTED] as a criminal at that time and we needed a justification to ask for the devices, the discussion was that reimbursing him for the actual cost of the devices would not be seen as bribing a criminal.

Question: The contract is dated December 14, 2025. Did you fill in or modify any part of the date?

Answer: I would need to check. I believe that although it was past midnight in Korea, it was still before midnight in China. In any event, I had no intention of interfering with any part of the contract's contents.

Question: Do you know who obtained [REDACTED] signature on the contract?

Answer: I do not know.

Question: Do you recall whether the contract contained any language—such as a written assurance—regarding the extent of the information [REDACTED] had accessed, or that he did not disclose the information externally, or that he had deleted the personal information he had obtained?

Answer: The content of the statement and that of the contract have become somewhat mixed up in my memory, so I am not sure.

At this point (18:05), a brief recess was taken.

Investigation resumed at 18:15. Senior inspector [REDACTED] continued the questioning.

Question: You are aware that around December 14, 2025, [REDACTED] visited Han Kun Law Offices in Shanghai, China and submitted a written statement, correct?

Answer: Actually, I was not well aware of it at that time.

Question: Do you know who participated in that process?

Answer: I do not know.

Question: Did no one else from the Korean entity travel there to participate, other than Jang Seong-heon?

Answer: That is a matter I have no knowledge of.

Question: It is correct that the major decisions in the process of meeting [REDACTED] and obtaining materials were all made in the Signal chat room where you were present, correct?

Answer: Yes, that is correct.

Question: And you are stating that you have no knowledge regarding the drafting of the written statement that took place from December 14, is that right?

Answer: That is correct.

Question: The leaker who was hostile on December 13 drafted a written statement on December 14. And the contract was also prepared at that time. So, it appears that virtually all major discussions effectively took place during that period. What are your thoughts on this?

Answer: I understand that there was a process of persuading [REDACTED]. To share what I know, the meeting was held after successful persuasion on December 14, and during that meeting, a significant amount of technical evidence was presented to identify [REDACTED] as the hacker. I understand that [REDACTED] lawyer realized this was not something that could be denied and subsequently persuaded [REDACTED]

Question: How do you know the information you are providing now?

Answer: I clearly remember that our lawyer was persuading [REDACTED] lawyer. As for whether [REDACTED] actually came or not, I wasn't aware at the time; but when I later received the signed copy of the contract, I thought, "Oh, so he must have come," and that is all I knew.

Question: To summarize your statements so far, major decisions were made in the chat room where [REDACTED] and [REDACTED] were present, yet both [REDACTED] and [REDACTED] were unaware of the events that took place on December 14. Does this mean that this was handled either by Vice President [REDACTED] or by the U.S. entity on its own initiative?

Answer: Since I have no knowledge of that, it is difficult for me to speculate and make a statement.

Question: It appears that at the time, [REDACTED] and Coupang had a video meeting at Han Kun Law Offices. Is that correct?

Answer: I don't know.

Question: It appears that [REDACTED] was on a business trip to China at the time. Is that correct?

Answer: I have no knowledge of that.

Question: Did you not hear about it afterward either?

Answer: I'm not aware.

Question: Don't you know that the U.S. entity's representative travelled on-site?

Answer: Actually, I don't know anything about that either.

Question: Who is [REDACTED]?

Answer: I only know him as someone who handles litigation matters at the U.S. entity. Beyond that, he is not someone I see often.

Question: Isn't it strange that [REDACTED] and [REDACTED] who had been major participants in the decision-making process, were completely absent? They could have at least joined a video meeting with [REDACTED]

Answer: Well, I only learned about it after the fact, and I suppose it may have happened that way because things were moving so urgently.

Question: Is it correct to understand that the Korean entity was not involved in contacting, persuading, or entering into the contract with [REDACTED]?

Answer: I don't know everything about the Korean entity, but I've told you everything I know.

Question: [REDACTED] submitted written statements on three occasions (on December 14, 17, and 18, 2025). Do you know the circumstances that led to the submission of each statement?

Answer: I don't have any knowledge about that.

Question: Do you know who was with [REDACTED] when each statement was written?

Answer: I understand that Managing Director [REDACTED] was in China on the 17th and 18th, but I do not know whether he participated.

Question: According to the shared material dated December 23, 2025 regarding the Coupang incident investigation, it is stated that Coupang's lawyers met with [REDACTED] on December 15, 16, and 18. Please explain this in detail.

Answer: I have only seen the document and I do not know anything beyond that.

Question: Then who created this briefing material for the Ministry of Science and ICT and other relevant agencies?

Answer: I don't know who created it, but on December 23, there was a briefing for government agencies, and [REDACTED] delivered the presentation himself.

Question: Did he attend the briefing in person?

Answer: The briefing was conducted via video call. It appears that simultaneous interpretation was provided with the English version displayed on the screen, and the Korean version seems to have been prepared separately afterward.

Question: Regarding each contact made, was it reported to Vice President [REDACTED] or Harold Lynn Rogers, who was CEO at the time?

Answer: That is not something I am aware of.

Question: Regarding each contact made, was it ever reported to, or were there any instructions from, the US Legal department or Coupang, Inc.'s Kim Bom-suk or any other executives?

Answer: I don't know.

Question: Before obtaining each written statement from [REDACTED], was he asked in advance to state any particular matters?

Answer: I don't know. I have no knowledge at all of how the statements were prepared. What I heard later was only that, since [REDACTED] could stop communicating with us at any time, everything discussed at each moment was written down in the statements. I think I heard this from [REDACTED] or [REDACTED] or perhaps someone else, but I'm not certain.

Question: Are you aware that [REDACTED], the Managing Director in Coupang's Operation Policy team, visited China on December 17 and 18, 2025, and received the storage devices of the computer [REDACTED] had used, as well as the laptop that had been dropped into water, at Han Kun Law Offices in Shanghai?

Answer: Yes.

Question: Were there any employees from the Korean, U.S., or Chinese Coupang entities who traveled with Managing Director [REDACTED] to receive the devices used by [REDACTED]?

Answer: As far as I know, from the Korean entity, only Managing Director [REDACTED] went. I don't know who went from the other entities.

Question: Did anyone from the NIS travel together?

Answer: I heard that they were going together. I do not know who or how many people went. The company was very concerned about Managing Director [REDACTED] going on the trip, so it was discussed that the NIS would accompany him. [REDACTED] went because the NIS agreed to go with him.

Question: When and from whom did you learn that the devices used for the offense had been retrieved from [REDACTED]?

Answer: On the 17th or 18th, Managing Director [REDACTED] called me and said he had found the devices, and that's how I learned about it.

Question: After hearing that, was any action taken?

Answer: From that point on, this matter was essentially no longer my responsibility. I simply thought that it had gone well.

Question: Who arranged the firms in China, such as Han Kun Law Offices for obtaining the written statements, and EY Consulting for verifying the chain of custody of the evidence?

Answer: I don't know.

Question: Before this matter, had those two firms ever been engaged for Coupang Corp.'s business?

Answer: I don't know.

Question: Based on [REDACTED] statement that he had thrown the laptop—one of the devices used for the crime—into the river, Coupang hired local divers to salvage it, correct?

Answer: Yes.

Question: Who decided that the salvage should be conducted?

Answer: I later heard that the NIS strongly requested it.

Question: Do you know the reason why such a decision to salvage was made?

Answer: I heard that the NIS said we should do everything possible, so that there would be no issues afterward, even if the device could not be found.

Question: And how was the company's position decided in response to that?

Answer: I don't know.

Question: Was it ever reviewed whether Coupang's retrieving the device used by [REDACTED]—potentially a key piece of evidence—on its own might create issues with evidentiary admissibility later on?

Answer: Our biggest concern was not evidentiary admissibility but whether [REDACTED] would communicate with us. We did not specifically worry about admissibility, but we did discuss that we needed to find a reliable local forensics firm so we wouldn't end up receiving a shell (such as a fake device). Because Mandiant did not have an office in China, there was talk of contacting a firm called CN Security, which could provide on-site support in China, but later, when I saw the results, EY had performed the work.

Question: Was the fact that a Coupang Corp. employee would personally travel to China to retrieve the devices used for [REDACTED] offense reported to Vice President [REDACTED] or then-CEO Harold Lynn Rogers?

Answer: I don't know.

Question: Regarding the Coupang Corp. employee's personally traveling to China to retrieve the devices used for [REDACTED] offense, was it ever reported it to, or were there any instructions from, the US Legal department or Coupang, Inc.'s Kim Bom-suk or any other executives?

Answer: I don't know.

Question: Do you know why [REDACTED], who is not responsible for legal matters, became significantly involved in recovering [REDACTED] evidence from China?

Answer: I recall that the reason Managing Director [REDACTED] ended up going to China was because the NIS had selected him for the task. It was largely because the NIS could not take action directly, and there was no other option but to have our employee do something.

Question: Among the materials submitted by Coupang to the investigation team handling the personal data leak, there appear to be screenshots from CCTV footage taken at Han Kun Law Offices showing [REDACTED] and others. Were any CCTV footage or its screenshots, remote video call recordings, or similar materials provided by Han Kun Law Offices?

Answer: I received them later. I didn't see the video—only the photos.

Question: I understand that the devices used in [REDACTED] offense were brought into Korea via the NIS using a diplomatic pouch. Is that correct?

Answer: I later heard from [REDACTED] that that was how it happened.

Question: When did Coupang Corp. receive the devices that were brought in via the diplomatic pouch?

Answer: I don't know.

Question: After receiving them, do you know how the devices were transported or stored?

Answer: I don't know.

Question: Before voluntarily submitting the devices on December 21, 2025, to the investigation team at the Seoul Metropolitan Police Agency handling the Coupang personal information leak, did Coupang attempt to extract copies from any disks or the laptop or perform any other analysis for its own internal investigation?

Answer: I have no knowledge of it.

Question: Was there no forensic analysis?

Answer: I'm not sure.

Question: EY performed forensic imaging, correct?

Answer: Yes. That is what I learned afterward.

Question: And what about EY performing an analysis of it?

Answer: I'm not aware.

Question: Do you mean there was no analysis as far as you understand, or that you simply do not know?

Answer: I simply do not know.

Question: What were the circumstances that led to the decision to voluntarily submit the devices on December 21, 2025, to the investigation team at the Seoul Metropolitan Police Agency handling the Coupang personal information leak?

Answer: I don't know. I later heard about it from Vice President [REDACTED]

Question: And do you know under whose instructions this was performed?

Answer: I don't know.

Question: I understand there is a difference in position between Coupang and the NIS. What is your view on that?

Answer: I believe it is clear that we performed the tasks based on the directives we had been given. Differences in understanding can always occur between parties. I regret that such misunderstanding arose.

Question: What do you think caused that misunderstanding?

Answer: We believed that we had an obligation to comply with the demands of a government authority and understood them as directives.

Question: Aside from the photo materials submitted to the investigation team, is there any other supporting evidence regarding the process of contacting [REDACTED] in China, such as when things occurred and what happened?

Answer: I will look for it, but I am not sure whether anything exists. Regarding the contact with the NIS, since the NIS required confidentiality, I am not sure whether such materials exist.

[Regarding Coupang's announcement of its own investigation results]

Question: I understand Coupang has something called the "Newsroom." What is its role?

Answer: It is a space where matters to be announced to the media are published.

Question: What type of content is usually posted in the Newsroom?

Answer: Company reports, statements, etc. are posted.

Question: What is the usual review process before an announcement is posted on the Newsroom?

Answer: Typically, the PR team leads the process. It may vary depending on the case, but the PR team generally drafts it, obtains confirmation from the necessary stakeholders, and then posts it. It likely varies case by case.

Question: Since it expresses the company's position, isn't it reported to the CEO or Vice President?

Answer: Correct. But it may vary depending on the case.

Question: Apology statements from Park Dae-jun and Kim Bom-suk regarding the Leak were also posted on the Coupang Newsroom. Are Newsroom announcements reported to the CEO of Coupang Corp. and to Chairman Kim Bom-suk of Coupang, Inc. in advance?

Answer: I don't know the specifics.

Question: Is there anyone in the PR team who can provide a statement on this?

Answer: I will check and let you know.

At this point, the full text of the Newsroom announcement dated December 25, 2025, titled: "*Coupang confirmed that the perpetrator has been identified, and that all devices used in the data leak have been retrieved. The investigation to date indicates that the perpetrator retained limited user data from only 3,000 accounts and subsequently deleted the user data,*" was presented to the declarant and attached to this statement record.

Question: You are aware that Coupang announced the results of its internal investigation regarding the data leak on December 25, 2025, correct?

Answer: Yes.

Question: Did you know in advance that the announcement would be made on December 25, 2025?

Answer: Yes.

Question: When and how did you know?

Answer: There was a meeting on the morning of the distribution date, and I attended it.

Question: Who attended the meeting?

Answer: I don't remember exactly, but I think there were three or four PR team employees, myself, and Vice President [REDACTED] was not there, but [REDACTED] was.

Question: What about the CEO?

Answer: He briefly came in and then left. He said a few words, but I don't remember what they were.

Question: What was discussed at the meeting?

Answer: It was a meeting to review the content of the announcement together.

Question: Please explain the circumstances leading up to the announcement.

Answer: The leak of 33 million records is what we had reported previously. Afterward, there were many concerns about secondary damage. From our perspective, since there was vague fear due to the leak, we decided that it would be appropriate to inform the public about what we had carried out together with the NIS to alleviate that fear. At the time, we received a report that the personal information from Coupang was being sold on the dark web, but that was not true. Because such anxiety continued, there were concerns that if this persisted, we might lose the trust of data subjects. There was such discussion.

Question: So, it can be understood as an announcement meant to reassure customers.

Answer: Yes. We tried to inform them exactly as things are.

Question: Do you remember the main content of the announcement?

Answer: Yes. We presented a summary of what we learned from the interview with the leaker, as well as findings from the analysis of the company's server data.

Question: Do you know who drafted the announcement?

Answer: By the time I attended, it was already completed to some extent, so I do not know who drafted it.

Question: Who decided to publish the announcement?

Answer: Well, I'm not sure, but since CEO Harold Rogers also participated in the meeting, I think he at least knew that the announcement would be made.

Question: If [REDACTED] attended the meeting, can it be considered that the U.S. entity also participated in the decision-making?

Answer: Yes.

Question: Regarding issuing the announcement of investigation results or the content of the announcement, was it reported in advance to, or were there any instructions from, the US Legal department or Coupang, Inc.'s Kim Bom-suk, or other executives?

Answer: I have no knowledge of that.

Question: Was there any prior consultation with the police, the Public-Private Joint Investigation Team, the NIS, or other government agencies, regarding Coupang's announcement of the investigation results?

Answer: We reported the content included in the announcement to the MSIT and the PIPC on December 23. However, I do not know whether the act of posting the notice itself was consulted on.

Question: Was it ever reviewed whether there would be any legal issues with announcing Coupang's internal investigation results without prior consultation with the police, the NIS, etc.?

Answer: It never even crossed our mind. We thought people would actually like it. We thought it would reassure them.

Question: For what reason?

Answer: Because the devices were retrieved.

Question: Prior to that, in late November, the investigation team had already reacted sensitively to Coupang's unilateral action, and later, when the evidence was submitted in

December, there was a similar reaction. I understand that the responses from the MSIT or the PIPC were also negative. What is your position on this?

Answer: We didn't hear anything from the MSIT or the PIPC about confidentiality regarding the content of the December 23 briefing. As for the police, I'm being reminded of that now as you say this, but at the time it didn't occur to us.

Question: At the time, there was significant public controversy, and I suppose the legal department and the executives of the Korean and U.S. entities would have reviewed various possibilities.

Answer: At least in the meeting I attended, we thought it was a relief that we could inform the public about this.

Question: Are all the details stated in the announcement of the investigation results true?

Answer: To the extent of my knowledge, they do not differ from the facts.

Question: Logically, the key points of a post are usually reflected in the title or the conclusion. The title of this post is "*Coupang confirmed that the perpetrator has been identified, and that all devices used in the data leak have been retrieved. The investigation to date indicates that the perpetrator retained limited user data from only 3,000 accounts and subsequently deleted the user data.*" In other words, it seems that the main idea Coupang intended to convey through this post was the identification of the perpetrator, retrieval of the devices, retention of 3,000 account records, and deletion of the data. Is that correct?

Answer: I am not a media expert, so I do not know.

Question: But wouldn't it be understood that way, from a reader's point of view?

Answer: But our Newsroom announcements are not usually published verbatim; since reporters write their own articles based on them, we thought the main body was important. We did not place much significance on the title or things like that. The announcement serves as a source for press releases.

Question: The intended message of this post is the identification of the perpetrator, retrieval of the devices, retention of 3,000 records, and deletion of the data, correct?

Answer: Yes.

Question: The sixth paragraph reads "*From the beginning, ... commissioned Mandiant, Palo Alto Networks, and Ernst & Young to perform an investigation*" and the following seventh paragraph reads "*The investigative findings to date are consistent with the perpetrator's sworn statements*". In that case, from a reader's point of view, it can only be interpreted to mean that the leaker's statements were consistent with the facts based on the results of the investigation conducted by Mandiant, Palo Alto Networks, and Ernst & Young. Is that correct?

Answer: Yes, that is correct.

Question: Did Mandiant, Palo Alto Networks, and Ernst & Young actually produce results consistent with [REDACTED] statements?

Answer: Mandiant and Palo Alto are the firms that analyzed the servers. I understand that Ernst & Young handled the forensics of [REDACTED] evidence.

Question: The announcement then listed paragraphs numbered 1 through 5 to set out the details. In that case, these paragraphs are the details of the main content, correct?

Answer: Yes, that is correct.

Question: Please explain the intent behind Paragraph 1, *“Perpetrator accessed basic user data using a stolen security key,”* and the basis on which Coupang confirmed this.

Answer: Some information was confirmed through the leaker’s statements, and the findings from server forensics by Mandiant and Palo Alto were consistent with those statements. The types of data also matched.

Question: Please explain the intent behind Paragraph 2, *“Perpetrator gained very limited access to order history and building entrance codes,”* and the basis on which Coupang confirmed this.

Answer: The leaker stated that he accessed the order history and building entrance codes for 3,000 accounts, and the server forensic analysis showed 2,609 instances of access to building entrance codes. This paragraph is saying that the findings were consistent.

Question: Please explain the intent behind Paragraph 3, *“Perpetrator used a desktop PC and MacBook Air laptop for the attack,”* and the basis on which Coupang confirmed this.

Answer: The leaker stated that he conducted the attack using a desktop and a MacBook, and since Mandiant and our company’s internal forensic results indicated that one Windows PC and one Apple system were used in the attack, this is a statement that combines those findings.

Question: Please explain the intent behind Paragraph 4, *“Perpetrator sought to erase and dispose of the MacBook Air laptop in a river,”* and the basis on which Coupang confirmed this.

Answer: It is basically a summary of the leaker’s statements and the experiences of Coupang’s representatives who were on the ground in China, including Managing Director [REDACTED]

Question: Please explain the intent behind Paragraph 5, *“Perpetrator retained a very small amount of user data, never transferred any of the data, and subsequently deleted all the stored user data,”* and the basis on which Coupang confirmed this.

Answer: The former part is based on the leaker’s statement. The part about deletion is also from his statement. This paragraph means that no discrepancies were found between his statements and the server analysis results.

Question: So, as for what is written in Paragraph 5, there were no supporting materials proving the content itself, correct?

Answer: I think the leaker’s statements should be regarded as the supporting materials. And there were no contradictory findings in the server analysis results.

Question: Is there any information that can be confirmed from server analysis?

Answer: I am not sure, but since the leaker’s statements did not contradict the analysis we conducted, this announcement was made. It means that there was nothing inconsistent.

Question: A slightly strange point in this announcement is that while Paragraphs 1 through 4 clearly show what was investigated, Paragraph 5 lacks specific grounds. It merely states, *“The investigative findings to date are consistent with the perpetrator’s sworn statements and found no evidence that contradicts these statements.”* What is the reason for this difference in writing style?

Answer: Statements are statements, and results are results, and since we clearly separated them, I believe there is no room for misunderstanding.

Question: It appears that a significant portion of Coupang's announcement of its investigation results is based on [REDACTED] statements. On what basis does Coupang trust [REDACTED] statements?

Answer: If there had been something in [REDACTED] statements that did not match the server analysis, we would have doubted them, but since there was nothing like that, they can be trusted as of now.

Question: You can only determine whether [REDACTED] did actually retain fewer than 3,000 records by conducting forensics on his devices. Also, you can only determine whether there was no external transmission or whether everything was deleted, after proper forensics and review of [REDACTED] emails and cloud storage, among other things. These are not something that can be confirmed through Coupang's servers.

Answer: We clearly indicated what we knew up to that point, and we didn't believe there would be any misunderstanding regarding this part.

Question: Has there ever been any opinion from your department, or executives of Coupang Corp. or Coupang, Inc., expressing doubt about the credibility of [REDACTED] statements?

Answer: I do not recall any such discussion being raised.

Question: Regarding the point that the number of personal information records actually possessed by [REDACTED] was no more than 3,000, has anything been objectively identified through the digital forensics of the devices used in the crime or through other means, aside from [REDACTED] statements?

Answer: I'm not aware of any. I understand that the police are conducting analysis.

Question: Aside from [REDACTED] statements, was anything objectively confirmed or was any attempt made to confirm that [REDACTED] did not transmit the leaked personal information externally nor transfer it to a third party?

Answer: The announcement was made based on the statements.

Question: According to Coupang's announcement dated December 25, 2025, it appears that the three firms—EY (Ernst & Young), Mandiant, and Palo Alto—were commissioned for analysis of the retrieved devices used in [REDACTED] crime. Is that correct?

Answer: I understand that [REDACTED] handed the devices over to EY.

Question: Did Mandiant or Palo Alto analyze the evidence submitted by [REDACTED]

Answer: I do not know.

Question: Considering the title, structure, and manner of expression of the December 25 announcement, the retention of fewer than 3,000 records, no external leakage, and deletion appear to be important points, yet Coupang does not seem to have conducted a proper investigation into these matters. In that case, it seems that this announcement had significant defects. What do you think?

Answer: As I have repeatedly said, because there were concerns that the personal information leaked from our company might be distributed or traded in China, we needed to report the progress exactly as it was. Since the content had already been reported to the MSIT and the PIPC, we did not think there would be any issues with it.

Question: I understand that immediately after this announcement, there was strong objection from the PIPC and others. Is that correct?

Answer: I understand that there was objection from the MSIT.

Question: Then what response was given to that?

Answer: I do not know.

Question: According to media reports, it appears that the announcement was taken down following a recent decision by the PIPC. Is that correct?

Answer: I will check myself whether it was this post.

Question: To summarize, the process leading to the issuance of this announcement involved the legal team and PR team of the Korean entity, Vice President [REDACTED], CEO Rogers, and [REDACTED], and you do not know whether the U.S. entity or any other internal or external personnel were involved. Is that correct?

Answer: Yes.

Question: And unlike the other paragraphs, regarding the points stated in Paragraph 5—such as retention of fewer than 3,000 records, deletion of all data, and no external leakage—Coupang did not conduct any independent investigation on these matters, but made the announcement based on the ground that these points were not inconsistent with the investigative findings up to that point. Is that correct?

Answer: Yes, that is my understanding.

Question: You are aware that on December 28, 2025, Coupang posted an announcement titled “*Apology from Chairman Kim Bom-suk of Coupang*” on the Newsroom, correct?

Answer: Yes. However, I do not know the exact facts regarding this matter, and I understand that it was issued around the same time as the compensation plan.

Question: Did this apology go through a similar decision-making process?

Answer: I’ve never heard of it.

Question: In the eighth paragraph of this apology, there are many definitive expressions such as “all leaked information was recovered”, “all of the leaker’s storage devices were retrieved”, “it was confirmed that the number of retained records was limited to 3,000”, and “it was also confirmed that there was no external distribution or sale of the data”. Do you know why this apology was written in this manner?

Answer: I do not know.

[Other]

Question: At an early stage of the incident, Coupang Corp. used the term “exposure”, rather than “leak,” of personal information in its announcement, and was criticized by government agencies for that, correct?

Answer: Yes, I learned about it through news reports.

Question: The term “exposure of personal information” is not commonly used in typical hacking cases. Why was that term used?

Answer: I am not familiar with that matter.

Question: Who was involved in this?

Answer: I will check that later.

Question: From the perspective of Coupang Corp., what is the difference between exposure and leakage of personal information?

Answer: I do not know.

Question: Wasn't it Coupang Corp.'s objective in the December 25 announcement to convey that, although personal information was exposed, only around 3,000 records were actually leaked, so that customers would feel reassured and continue using Coupang?

Answer: I'm not sure.

Question: Based on publicly available information, it appears that both [REDACTED] and [REDACTED] have worked in Korea and regardless of whether they are currently in Korea or not, they need to come to Korea and provide statements as persons related to the case. Since you're in charge of legal affairs for Coupang Corp., can you confirm their personal details and contact information, whether they can come to this Police Agency in the near future, and if not, the reason and when they would be able to appear?

Answer: I will discuss it internally and let you know.

Senior Inspector [REDACTED] continued the questioning.

Question: Regarding this case, criminal complaints and third-party accusations have been filed against Kim Bom-suk, Harold Lynn Rogers and others on the following grounds: (i) despite the fact that government and criminal investigations were underway, they independently contacted the leaker, secured the digital devices, and conducted forensics, thereby compromising the originality of the evidence and thus committing destruction of evidence; (ii) they announced their own investigation results in which they downplayed the scale of the damage and the number of persons involved in the offense, and when submitting evidence to the police, they did not disclose that the originality of the evidence had been compromised by their own forensic actions; through such deceptive schemes, they obstructed government and criminal investigative work, amounting to obstruction of official duties by deceptive means; and (iii) by minimizing the scale of the damage, they deceptively interfered with the victims of the leak in protecting their identities, amounting to interference with business. Please state your opinion on the substance of these alleged criminal facts.

Answer: I have also read the complaint, but regarding the obstruction of official duties by deceptive means, I do not understand what kind of trick or artifice we are alleged to have used, and since we worked together with the NIS under their directives, I believe calling it "deceptive" defies common sense.

As for the destruction of evidence, we created forensic copies to preserve the devices after retrieving them from the leaker. Given the special circumstances involving China, I think not making any copies would be a greater problem since the devices could have been lost, and I believe the NIS and the company shared the same understanding on that point. Furthermore, I understand that the police have analyzed much of the materials we submitted, and I am certain that the analysis will show no evidence of destruction.

Regarding interference with business, as I mentioned earlier, since there was public anxiety that personal information from Coupang might be circulating on the dark web or that there might be voice phishing or smishing incidents, we believed that informing the public accurately about the information we identified would help protect customers' personal

information, and I believe that it actually did. And, although this is an opinion from a legal standpoint, I am not even sure if this case constitutes “business” as defined under the offense of interference with business.

Question: If additional statements are needed later, can you appear for further questioning?

Answer: Yes, I will cooperate with the investigation as much as possible. I cannot guarantee my attendance until after next Wednesday due to my work schedule, but I can appear on February 5 or 6 at the earliest.

Question: Are all your statements true?

Answer: Yes.

Question: Do you have anything further to add?

Answer: No.

Question: Will you submit any additional written opinions or materials?

Answer: I will submit them if necessary.

The above statement record was reviewed by the declarant, and as he stated that there were no errors, additions, omissions, or changes to be made from what he had stated, the declarant signed (affixed his name and seal) hereto.

Declarant: [REDACTED] (Signature)

Counsel: [REDACTED] (Signature)

Counsel: [REDACTED] (Signature)

January 27, 2026

Judicial Police Officer Senior Inspector [REDACTED]

Judicial Police Officer Senior Inspector [REDACTED]

Investigation Process Confirmation Form

Category	Notes
1. Time of Arrival at the Examination Location	January 27, 2026 13:50
2. Start and End Time of the Examination	☐ Start Time: Jan 27, 2026 14:09 ☐ End Time: Jan 27, 2026 19:45
3. Start and End Time of Statement Review	☐ Start Time: Jan 27, 2026 19:45 ☐ End Time: Jan 27, 2026 20:16
4. Other Matters Necessary to Confirm the Progress of the Examination Process	Attended by Counsel [REDACTED] and [REDACTED] Recess: From 15:55 to 16:06 and from 18:05 to 18:15
5. Whether Any Objection Was Raised or Any Opinion Was Stated Regarding the Matters Recorded in the Examination Process, and the Details Thereof	None
January 27, 2026 After questioning [REDACTED], Judicial Police Officer Senior Inspector [REDACTED] obtained confirmation from [REDACTED] with respect to the matters stated above. Confirmed by: [REDACTED] (Signature/Seal) Judicial Police Officer: Senior Inspector [REDACTED]	

Exhibit 25:
CPNG-HJC119-0001592
Coupang Newsroom Statement
Announcing the Appointment of Harold
Rogers as interim Representative
Director

[보도자료] 쿠팡 박대준 대표이사 사임, 미국 모회사 쿠팡 Inc. 해롤드 로저스 신임대표로

2025. 12. 10.



2025. 12. 10. 서울 - 쿠팡은 최근 개인정보 유출 사태와 관련, 박대준 쿠팡 대표이사가 사임했다고 10일 밝혔다.

박 대표는 “최근의 개인정보 사태에 대해 국민께 실망드린 점에 대해 매우 송구스럽게 생각한다”며 “이번 사태의 발생과 수습과정에서의 책임을 통감하고 모든 직위에서 물러나기로 했다”고 말했다.

박 대표 사임에 따라, 쿠팡의 모회사인 미국 쿠팡 Inc.는 이번 사태를 적극적으로 수습하고, 고객들의 불안감을 해소하기 위해 해롤드 로저스(Harold Rogers) 미국 쿠팡 Inc. 최고관리책임자 겸 법무총괄(CAO & General Counsel)을 쿠팡의 임시 대표로 선임했다.

로저스 신임 임시 대표는 개인정보 유출 사태에 따른 고객불안을 해소하고, 대내외적인 위기를 수습하는 한편 조직 안정화에 주력할 방침이다. 따라서 미국 쿠팡 Inc.가 개인정보 유출 사태에 대한 수습을 위해 적극적으로 나설 계획이다.

쿠팡은 “개인정보 유출 사태로 심려를 끼쳐드린 점에 대해 깊이 사과드린다”며 “재발 방지를 위해 정보보안을 강화하고 신뢰 회복에 최선을 다할 것”이라고 말했다.

Coupang Corp (Korean entity) announced on December 10th that Coupang Corp Representative Director Park

Dae-jun resigned in relation to the matters around the recent personal information leakage.

Park said, "I am very sorry that we disappointed the public with the recent personal data incident." He continued, "I share the grave responsibility regarding the occurrence of the leakage and how it was handled and decided to step down from all my positions."

Following Park's resignation, to actively address the situation and ease customers' anxiety, Coupang Inc. – the U.S. parent company of Coupang Corp– has appointed Harold Rogers, CAO and General Counsel, as the interim representative director of Coupang Corp (Korean entity).

The new interim representative director will focus on alleviating customer anxiety, settling the data breach issue both internally and externally, and stabilizing the organization. Hence, the plans are that Coupang Inc. actively steps up to resolve the personal data leak incident.

Coupang said, "We offer the deepest apology for the worries the recent personal data leak has caused." The company continued, "We will significantly enhance our information security to prevent recurrences and will do everything we can do to recover trust."

취재 문의 media@coupang.com

Exhibit 26:
CPNG-HJC119-0001596
Coupang Newsroom Statement
“Response to the JIT Report regarding
the November 2025 Data Incident”

Exhibit 27:
CPNG-HJC119-0001597
February 6, 2026 Interrogation of Harold
Lynn Rogers

I, [REDACTED] certify that I am competent to translate from Korean into English and that the translation of the below document is true, accurate, and complete to the best of my knowledge. If you have any questions regarding the translation, please contact me at the email address below.

Typed Name: [REDACTED]

Qualifications: Professional Interpreter with an MA in Korean-English Interpretation, Seoul, Korea

Email: [REDACTED]@coupang.com

Date: February 15, 2026

Confirmation of Notification

Name: Harold Lynn Rogers

Residence Number: [REDACTED] (48 years old)

Residential Address: [REDACTED]

I hereby confirm that, prior to having been questioned in the Interview Recording Room #2 on the 3rd floor of the Mapo Investigation Office of the Metropolitan Investigation Unit of the Seoul Metropolitan Police Agency at approximately 13:30 on February 6, 2026, I was notified that I have the right to seek relief from the prosecutor if there is any violation of laws or regulations, infringement of human rights, or material abuse of investigative authority in the course of the investigation.

February 6, 2026

Signature of the above-named person affixed

When questioning the above suspect, we notified the suspect of the foregoing.

* Reason for refusal to affix name and seal or to sign:

February 6, 2026

Seoul Metropolitan Police Agency
Judicial Police Officer, Inspector [REDACTED]

Suspect Interrogation Record (with Interpretation)

Suspect: Harold Lynn Rogers

With respect to the suspected violation of the *Act on Testimony and Appraisal before the National Assembly* by the above-named person, in the Interview Recording Room #2 on the 3rd floor of the Mapo Investigation Office of the Metropolitan Investigation Unit of the Seoul Metropolitan Police Agency at 13:30 on February 6, 2026, a judicial police officer, *i.e.*, Inspector [REDACTED], involved another judicial police officer, *i.e.*, Senior Inspector [REDACTED] in the interrogation, and confirmed that the person questioned is without doubt the suspect, as set forth below.

QUESTION: Please state the suspect's name, resident registration number, occupation, residential address, registered domicile, etc.

ANSWER: My name is Harold Lynn Rogers.

My residence number is [REDACTED].

My occupation is the Chief Executive Officer of Coupang Corp.

My residential address is [REDACTED]
[REDACTED]

My registered domicile is [blank].

My office address is the CEO Office, [REDACTED]
[REDACTED]

My contact information is as follows: no home telephone; mobile phone number: [REDACTED]; no office telephone; and email address: [REDACTED]@coupang.com.

The judicial police officer explained the summary of the alleged offense to the suspect and, pursuant to Article 244-3 of the Criminal Procedure Act, informed the suspect that he has the right to refuse to make statements and the right to receive assistance, including the participation of counsel, in terms of the questioning by the judicial police officer, and confirmed whether the suspect wishes to exercise such rights.

Confirmation of Notification of the Right to Remain Silent and the Right to Counsel

- | |
|--|
| <ol style="list-style-type: none">1. You may choose not to make any statement at all, or to refrain from answering individual questions.1. Even if you choose not to make a statement, you will not suffer any disadvantage as a result.1. Any statement made after you have waived your right to refuse to make statements may be used as evidence of guilt in court.1. When you are questioned, you have the right to receive the assistance of counsel, including having an attorney present during the questioning. |
|--|

QUESTION: Has the suspect been informed of the above rights?

ANSWER: Yes, I understand what you have explained. However, there may be instances where I cannot answer certain questions.

In connection with my duties as an executive of Coupang Corp.'s U.S. parent company, Coupang, Inc., there are matters that cannot be disclosed due to the attorney-client privilege in the U.S., and such privilege is a right that cannot be waived. Therefore, please understand that there may be some questions I cannot answer. *(Signature affixed)*

QUESTION: Will the suspect exercise the right to remain silent?

ANSWER: I will answer all questions to the extent that I can. *(Signature affixed)*

QUESTION: Will the suspect exercise the right to receive the assistance of counsel?

ANSWER: Yes, I will. Many attorneys have come today. *(Signature affixed)*

Accordingly, the judicial police officer questioned the suspect regarding the alleged facts as follows.

At this point (around 13:37), the suspect requested that his personal interpreter, [REDACTED], be permitted to attend the interview.

Inspector [REDACTED] explained that a designated interpreter, [REDACTED], among the police investigation interpreters should participate in the interview and perform interpretation duties.

As the suspect requested the presence of his personal interpreter, Inspector [REDACTED] decided to receive a written request for attendance from the suspect and attach it to the record, permitted the suspect's personal interpreter, [REDACTED] to participate in the interview in the capacity of a trusted person, and continued the questioning.

A total of eight attorneys accompanied the suspect, *i.e.*, four attorneys from Shin & Kim including [REDACTED] and four attorneys from Kim & Chang including [REDACTED]. The participating police officer, *i.e.*, Senior Inspector [REDACTED] explained that, due to the capacity limitations of the interrogation room, the number of attending attorneys had to be limited, and restricted the attendees to six attorneys each time but allowed rotation between waiting attorneys and attending attorneys upon request of counsel.

After having been explained as to the statement recording system pursuant to the National Police Agency’s Guidelines on Statement Recording Operations (partially revised as of December 17, 2024), the suspect indicated that he wished the statement to be recorded, so a written confirmation of notice of and consent to statement recording was prepared and statement recording commenced accordingly.

QUESTION: Are you the same Harold Lynn Rogers, the CEO of Coupang Corp., who appeared as a witness at the National Assembly Standing Committee on Science, ICT, Broadcasting and Communications (hereinafter, the “**Science and ICT Committee**”)’s hearing on December 30 and 31, 2025, titled the “*hearing to examine Coupang’s security breach and personal information leakage, unfair trade practices, and labor environment conditions, and to establish measures for prevention of recurrence*” (hereinafter the “**Coupang hearing**”)?

ANSWER: Yes, that is correct.

QUESTION: Please state your nationality, place of birth, and residence in your home country.

ANSWER: I am a U.S. citizen. I was born in the State of Washington, the United States. My residence in my home country is [REDACTED]

QUESTION: Please state the English name you use in your home country.

ANSWER: Harold Lynn Rogers.

QUESTION: Please state your passport number and residence number.

ANSWER: [REDACTED] and [REDACTED]

QUESTION: Do you have your passport, residence card, or any other identification documentation?

ANSWER: I did not bring my passport or residence card today, but I am indeed Harold Lynn Rogers.

QUESTION: Are you appearing voluntarily for questioning today?

ANSWER: Yes.

QUESTION: Do you know the reason you are being questioned today?

ANSWER: Yes. I understand that some of the testimonies I gave at the National Assembly Science and ICT Committee’s Coupang hearing on December 30 and 31, 2025 were subject to a complaint for perjury and thus I am being questioned as a suspect.

QUESTION: Do you actually reside at your registered place of stay?

ANSWER: Yes. I reside at Unit [REDACTED]
[REDACTED]

QUESTION: With whom do you live at that registered place of stay?

ANSWER: I live with my spouse and my youngest son. My other three children are in the United States.

QUESTION: Please state your family relations.

ANSWER: I have a spouse and four children.

QUESTION: Have you ever been subject to criminal penalty or investigation?

ANSWER: No.

QUESTION: Have you ever been subject to criminal penalty or investigation in any country other than Korea?

ANSWER: No.

QUESTION: Please state your highest level of education.

ANSWER: Juris Doctor (J.D.), Harvard Law School.

QUESTION: Please state your financial status.

ANSWER: There is executive compensation data disclosed to the U.S. Securities and Exchange Commission. Please refer to that data.

QUESTION: Please state your health condition.

ANSWER: I'm in a good condition.

QUESTION: Please state the time of your entry into Korea and your period of stay, visa status, and purpose of stay.

ANSWER: My period of stay is until January 31, 2028. My visa type is D-8-1 (corporate investment). My purpose of stay is management of Coupang Corp.

QUESTION: Please state your major career history.

ANSWER: Around 2005, I worked as a judicial law clerk at a judge's chamber of the U.S. Court of Appeals for the District of Columbia Circuit. From around 2006 to around July 2016, I was a partner attorney at a multinational law firm, Sidley Austin LLP, and from around 2016 to around 2019, I served as a Vice President and Chief Ethics & Compliance Officer at a global telecommunications company, Millicom. In January 2020, I joined Coupang, Inc. as Chief Administrative Officer (CAO). In December 2021, I additionally assumed the role of the General Counsel of Coupang, Inc. On December 10, 2025, I was appointed the Chief Executive Officer of Coupang Corp.

QUESTION: Please explain how you came to be appointed the CAO of Coupang, Inc. in January 2020.

ANSWER: I joined the company after an interview with Coupang, Inc.'s CEO (Kim Bom-suk) in January 2020.

QUESTION: Please explain how you came to be appointed the General Counsel of Coupang, Inc. in December 2021.

ANSWER: After the company's IPO in March 2021, the then-existing General Counsel left the company, so I assumed that role in addition to my existing role.

QUESTION: Please explain how you came to be appointed the CEO of Coupang Corp. on December 10, 2025.

ANSWER: After the data leak incident, the then-CEO, Park Dae-jun resigned under political pressure, and the leadership of Coupang, Inc. appointed me an interim CEO of Coupang Corp. to respond to the crisis.

QUESTION: Who do you mean by the “leadership of Coupang, Inc.”?

ANSWER: I mean the senior leaders of Coupang, Inc.

QUESTION: Do you mean the board of directors?

ANSWER: Not exactly the board; rather, key executives. They are the individuals disclosed to the U.S. Securities and Exchange Commission (SEC). The senior leaders include Chairman Kim Bom-suk, [REDACTED] and myself.

QUESTION: Upon your appointment as the CEO of Coupang Corp., did Chairman Kim Bom-suk, the board of directors, or the senior leaders give you any instructions in whatever form regarding how to respond to the personal information leak incident of Coupang Corp.?

ANSWER: Companies in the U.S., including Coupang, are not operated according to a hierarchical chain of command structure.

Generally, I make regular reports, including to the board of directors, but the company is not operated in a manner where each team seeks permission or approval from someone on a routine basis. Rather, each team carries out its work under its own authority.

I think you might have checked the statements I gave during the previous Cybercrime Investigation Division’s interrogation. In the United States, an organizational culture reform led by Jack Welch, the former CEO of General Electric, established a model in which companies empower each team to exercise its own authority and perform its duties autonomously. Similarly, at Amazon, teams are kept small in size—small enough to be fed by two pizzas—and those teams operate with a strong sense of ownership to achieve their goals.

Coupang is operated in the same manner.

QUESTION: Regarding the personal information leak incident, was there any other executive replacement besides your case?

ANSWER: To the best of my knowledge, there was none. As we are currently devoting our full efforts to crisis response, while there could have been some changes among executives, those changes were not made as a result of the data leak incident.

One exception I can mention is a person named [REDACTED], who is responsible for public policy and PR in the United States. In connection with the current situation, he has been additionally assigned to support the work of the policy and PR teams in Korea. However, I do not view this as a major change in role, as it is connected to the subject matter of his existing responsibilities.

QUESTION: Please describe in detail the main duties of your roles as the CAO and General Counsel of Coupang, Inc. and the CEO of Coupang Corp.

ANSWER: As the Chief Administrative Officer, I am responsible for administrative management functions, including matters related to human resources and compensation. And, as the General Counsel,

I oversee all legal teams. I handle matters relating to corporate governance, U.S. law, regulatory authorities, and legal issues arising in various jurisdictions worldwide where Coupang, Inc. operates. At Coupang Corp., as the CEO, I am required to oversee the overall management of the company. To date, however, I have not been able to be deeply involved in many aspects of general management that would ordinarily be expected from a CEO. Because I am devoting the majority of my time to responding to regulatory authorities or police investigations, I am experiencing difficulties in managing the company's operations.

In fact, there is even a saying that, if you walk into Coupang's Jamsil headquarters office right now, one out of every ten people you see is an official from a regulatory agency.

QUESTION: From your perspective, please explain the reporting and approval structure of the corporate group (hereinafter the "**Coupang Group**"), including the U.S. holding company Coupang, Inc., its subsidiaries including Coupang Corp., and its sub-subsidiaries.

ANSWER: Generally speaking, from a legal and financial perspective, there are reporting and approval frameworks that we are legally required to have in place.

However, within the group, each subsidiary operates under its authority in accordance with its own objectives and standards, and is run in a manner that emphasizes autonomy and a sense of ownership in pursuing its company-specific goals.

By way of a concrete example, two years ago we acquired Farfetch, a U.K.-based e-commerce company. At the time, there were matters that required formal approval from senior leaders and the board of directors, so we went through those processes. However, once the acquisition was completed, we immediately established Farfetch's own leadership team and allowed that team to independently undertake efforts to reduce costs and lay the groundwork for growth.

Farfetch had been incurring losses at the time and was put on the market for sale for that reason.

Nevertheless, the Farfetch team clearly understood its mission and carried it out with autonomy and a sense of ownership, achieving break-even within one year.

At this point (14:26), about one hour after the start of questioning, a break of at least 10 minutes was offered pursuant to Article 23 (Provision of Breaks) of the Regulations on Mutual Cooperation between Prosecutors and Judicial Police Officers and General Investigation Rules.

The suspect and his attorneys stated a break was unnecessary and the questioning continued.

QUESTION: You said the senior leaders are separate from the board; does "senior leaders" mean a management organization overseeing individual companies within the Coupang Group?

ANSWER: The senior leaders are the executives who operate Coupang, Inc.

QUESTION: Since the suspect cannot communicate in Korean, how is reporting conducted within Coupang Corp.?

ANSWER: We have skilled interpretation teams who assist my communication.

QUESTION: You obtained a copy of the complaint through an information-disclosure request, correct?

ANSWER: Yes, I saw the version translated into English by my attorneys.

At this time, the suspect was shown a copy of the complaint and questioning continued.

QUESTION: Is the complaint you have just reviewed the same complaint you received through the information-disclosure request?

ANSWER: I read the version translated by my attorneys, and I have brought it with me today. During the questioning I will refer to it and use it as a reference in answering.

QUESTION: Have you sufficiently read the complaint in this case and do you understand the gist of the alleged facts?

ANSWER: Yes, I understand the points asserted by the Science and ICT Committee of the National Assembly.

QUESTION: Do you admit the allegation of violating the *Act on Testimony and Appraisal before the National Assembly*?

ANSWER: No, I do not admit it.

At the time of the Coupang hearing, I was in a situation where many Assembly Members were raising their voices and saying that the situation could lead to perjury, but I was nevertheless shocked to hear afterward that a perjury accusation had actually been filed.

At that time, my interpreter was unable to provide interpretation, and the National Assembly interpreters had been instructed not to interpret my answers in full. As a result, the exchanges were not fully or properly conveyed, and given those circumstances, I did not think that a perjury accusation could arise. I was not able to fully understand all of the questions at the time, and my answers were not fully interpreted.

Moreover, in a situation where the National Assembly interpreters had been instructed not to interpret my answers in their entirety, I was surprised to learn that a perjury accusation had nonetheless been made. I was repeatedly being pressed to respond while Korean-language documents that I could not read were displayed on the screen, and my answers were repeatedly interrupted.

QUESTION: Do you understand the offense of perjury under the *Act on Testimony and Appraisal before the National Assembly*?

ANSWER: Yes, I understand it based on explanations from my attorneys.

QUESTION: There is also a crime of perjury in the United States, correct?

ANSWER: Yes, there is.

QUESTION: Do you admit that you made the statements described in the complaint?

ANSWER: I cannot agree with that. As I said, there were interpretation issues, and the contents in the complaint are interpreted statements, not what I actually said.

QUESTION: The minutes contain the Korean interpretation of what you answered in English. Are you denying that?

ANSWER: I acknowledge what I said in English. However, the Korean interpretation may be inaccurate, so I cannot accept the Korean answers created based on that record.

The Chairperson publicly instructed interpreters not to translate my entire answers, so the minutes do not reflect everything I said and, in many instances, contain mistranslations.

QUESTION: By mistranslation, do you mean the National Assembly interpreters?

ANSWER: Yes. There were two simultaneous interpreters, and there were times when they interpreted my answers incorrectly, which then were transcribed and became part of the National Assembly minutes.

QUESTION: Since you cannot communicate in Korean, how do you know there were interpretation errors?

ANSWER: My attorneys compared my English answers line-by-line with the Korean transcript and identified the distortions. When prepared, we will submit a written opinion to the police.

QUESTION: Please give a specific example of the mistranslation.

ANSWER: For example, during my testimony I stated that approximately 33 million records of personal information were leaked and about 3,000 were stored and then deleted. However, the interpretation recorded that 33 million were leaked and 43 million were stored and deleted.

This significantly distorted the meaning of my statement.

At this point, the suspect's attorney presented the December 30, 2025 Coupang hearing minutes (page 72) showing the alleged mistranslation.

Moreover, the Members' questions were interpreted into English for me through a receiver (earpiece), but since there is no broadcast footage or audio record of that interpretation, it is also unclear whether I in fact heard an accurate interpretation of the questions. At the time, some Members were even shouting.

QUESTION: The point of the question is whether you admit that you actually made the statements, limited to the testimonies that have been reported as perjury, among your answers. What is your position?

ANSWER: No. There are errors in the simultaneous interpretation at the Coupang hearing and in the minutes prepared based on it—at least as I understand it.

QUESTION: You were summoned under Article 5 of the *Act on Testimony and Appraisal before the National Assembly* and appeared as a witness pursuant to Article 2 of that Act at the Coupang hearing held by the Science and ICT Committee of the National Assembly on December 30 and 31, 2025, correct?

ANSWER: Yes. I do not know the specific provisions, but I understood I had a legal obligation to appear and I did appear.

QUESTION: As a witness at the hearing, you read and signed the oath stating, "I swear to tell the truth according to my conscience, without concealment or addition, and if any statement or written answer is false I will be punished for perjury," correct?

ANSWER: Yes. After taking the oath, I signed the oath document and submitted it to the Chairperson.

QUESTION: Before taking the oath, you were informed by Chairperson Choi Min-hee of its meaning and of the penalties for perjury, correct?

ANSWER: Yes. I was notified before the oath, and during the hearing several members also loudly warned that I could be punished for perjury.

QUESTION: In December 2025 you received a request from the National Assembly to appear as a witness at the Coupang hearing, correct?

ANSWER: Yes.

QUESTION: The Science and ICT Committee of the National Assembly sent a written attendance request around December 23, 2025, which a Coupang employee received that same day—correct?

ANSWER: I was informed of the attendance request from the National Assembly, but I do not know whether it was exactly on December 23, 2025, nor the details like who received it.

QUESTION: Before the formal service of the written attendance request on December 23, 2025, were you informed of the upcoming hearing and the expected lines of questioning?

ANSWER: No.

QUESTION: So Coupang Corp., including yourself, prepared only after receiving the written request around December 23, 2025?

ANSWER: Yes.

QUESTION: Considering your appointment as CEO of Coupang Corp., the National Assembly hearing to be held on Coupang resulting from the personal data leak incident, appearance of Coupang executives as witnesses, and the anticipated questions from the gist of questioning stated in the written attendance request, your testimony would have involved many stakeholders, not just the Coupang Group but also the shareholders, etc., so you would have been very cautious, correct?

ANSWER: I did not have as much time to prepare as I would have wanted. Immediately after assuming the position of CEO, I was busy responding to the data leak incident, with responses to regulatory authorities ongoing, so I was unable to prepare sufficiently.

In particular, from around December 22, 2025 through the end of the year is the peak holiday season in the United States, and I already had family vacation plans during that period. I was therefore trying to manage all of my obligations while also maintaining those plans. My eldest son has a developmental disability and cannot travel to Korea, so this period is one of the very few times each year when I am able to go to the United States to see him. As a result, I did not have as much time to prepare as I would have wanted.

I believe that the Science and ICT Committee issued the attendance request very close to the hearing date with the intent of not allowing sufficient time for preparation.

QUESTION: The attendance request states the questioning would concern “facts regarding the Coupang security breach and personal information leakage, and confirmation of damage relief and improvement measures.”

In preparation for the appearance at the Coupang hearing scheduled a week from the day you received the attendance request, what specific preparation process did you go through?

ANSWER: I spent most of my preparation time understanding the data leak incident. While discussing the matter with the team handling the data leak, I gained a general understanding of how the response to

the incident had progressed. However, at the hearing there were relatively few questions about the data leak and most concerned other issues.

QUESTION: From whom and how did you receive preparation materials for the hearing, and what materials did you receive?

ANSWER: I did not receive documents. The legal and policy teams gave me general updates and information. I do not remember the exact details; the situation was developing very quickly and they shared general developments and various requests from regulatory authorities.

At this point (15:26), about one hour after the last break, a break of at least 10 minutes was offered pursuant to Article 23 (Provision of Breaks) of the Regulations on Mutual Cooperation between Prosecutors and Judicial Police Officers and General Investigation Rules.

The suspect and his attorneys requested only a 15-minute break.

Questioning resumed at 15:41.

QUESTION: So you received only verbal briefings and no documents?

ANSWER: I did not receive any documents. I was given only an oral overview updating me on the general situation.

I was continuing to serve as the General Counsel and CAO of Coupang, Inc., and in addition, I was also handling preparation for the hearing and responses to regulatory authorities in my capacity as the CEO of Coupang Corp.

Even handling my responsibilities at Coupang, Inc. alone would have required my full attention, and with the additional responsibilities at Coupang Corp. layered on top of that, I was in an extremely busy situation.

At this time (15:43–15:53), excerpts from the December 30, 2025 Coupang hearing minutes (pages 63–66) containing the alleged perjurious statements were shown to the suspect, and his personal interpreter ██████████ read the relevant portions to him while questioning continued.///////

Rep. Hwang Jeong-ah: I will begin my questioning.

The way Coupang is behaving in Korea right now goes beyond the realms of a suspect pretending to be a victim; it feels like watching a gangster movie. Where else in the world would an accused meet with the criminal and take away the evidence? This is behavior that is unimaginable unless one intends to hide the crime scene and contaminate testimony and evidence. Furthermore, Chairman Kim Bom-suk failed to attend the hearing while simultaneously releasing a belated apology in writing. I am familiar with the concept of working from home, but this is the first time I have seen someone apologizing from home. Switching CEOs, contaminating evidence, issuing a written apology, and failing to appear at the hearing, all of this feels like I am watching a well-crafted script for Kim Bom-suk's protection and exoneration. On top of that, these promotional coupons that are practically at the level of smishing. The very idea of such a compensation plan is utterly dreadful.

CEO Harold Rogers, you claimed that you conducted an internal investigation and announced the findings following government instructions. Is this claim still valid?

Witness Harold Rogers: We did not conduct an investigation on our own, but investigated according to the instructions of the government.

Rep. Hwang Jeong-ah: Which government department did you communicate with?

Witness Harold Rogers: As far as I know, the relevant agency seems to have acknowledged that they cooperated with us. Other than that, I have nothing more to say.

Rep. Hwang Jeong-ah: Which department is it?

Witness Harold Rogers: I understand that the relevant agency has acknowledged it publicly.

Rep. Hwang Jeong-ah: So, where is that?

Witness Harold Rogers: The National Intelligence Service (NIS) publicly acknowledged it, and it was not us that acknowledged it.

Rep. Hwang Jeong-ah: Is it the NIS? You are saying it is the NIS, right?

Witness Harold Rogers: The NIS confirmed publicly that they cooperated with us and took actions.

Rep. Hwang Jeong-ah: Since you mentioned the NIS, that is enough.

Who in the NIS did you communicate with? Who is this person?

Witness Harold Rogers: We will provide you with that name.

Rep. Hwang Jeong-ah: Say the name. Right now!

Witness Harold Rogers: I do not have the name information with me right now, but I will deliver the relevant name to you.

Rep. Hwang Jeong-ah: Provide the name before today's hearing ends. And is it correct that the concerned government agency gave the instructions? Did the government agency clearly use the expression that it was a "direct order"?

Witness Harold Rogers: That agency said we needed to cooperate, and because requests for cooperation are actually binding under Korean law, we understood that we had to follow this agency's instructions.

Rep. Hwang Jeong-ah: So there was no expression such as "order" or "direct order"? Was there no order?

Witness Harold Rogers: There were orders. They were directives.

Rep. Hwang Jeong-ah: They said it was an "order"? They said it was an "order"? Be clear.

Witness Harold Rogers: That agency told us to contact the suspect. We did not want to contact the suspect, but they requested us to contact the suspect multiple times, and although we refused, we learned that we had to follow the request according to the law, which is why we reached out to the suspect.

Rep. Hwang Jeong-ah: Did that person from the NIS, whose name you said you cannot remember, tell Coupang to contact the criminal, determine the investigation method, and tell you to conduct forensics?

Witness Harold Rogers: We did not conduct the analysis. We collected forensic images of the hard drives. This was an instruction from a government agency, and we provided this information, this evidence, to the government agency.

Rep. Hwang Jeong-ah: You are saying now that the government agency ordered the forensic analysis, right? That person whose name you will provide?

Witness Harold Rogers: They told us to make a forensic copy and deliver it. We did not perform forensic analysis. We did not conduct forensic analysis on the actual device but made a forensic copy and delivered it.

Rep. Hwang Jeong-ah: What you just said—if it is perjury, you will be charged with perjury.

And in that situation, what did Bom Kim do? What orders did Mr. Bom Kim give in that situation?

Witness Harold Rogers: I consulted with Chairman Kim continuously. However, the decision was made in Coupang Korea.

Rep. Hwang Jeong-ah: You did send the laptop out for forensic analysis, correct? You had the forensic work conducted, and the forensic data exists. And the raw data — Coupang has that, right?

Witness Harold Rogers: That is correct. The government agency has a copy, the original was delivered to the police, and that government agency allowed us to make a separate copy for our own retention.

Rep. Hwang Jeong-ah: Yes, I understand.

Today, several shocking facts have come to light, and it has become clear why Coupang repeatedly concealed information each time we asked about the number of leaked personal information items by each category. Former CEO Park Dae-jun was already aware that the leaked items reached hundreds of millions. CEO Harold, you are aware of the blackmail email sent by the criminal on November 25th, right?

Witness Harold Rogers: Yes, I am aware.

Rep. Hwang Jeong-ah: How many address information was revealed to have been crawled?

Witness Harold Rogers: He said he scanned 33 million customer accounts.

Rep. Hwang Jeong-ah: 120 million cases of address information. And look here at the delivery address information. Detailed information was compromised. 560 million cases of order information. This was analyzed. It says he "analyzed" it. 31 million cases in Gyeonggi-do, 25 million in Seoul, and over 1 million delivery addresses were compromised solely in Yuseong-gu, Daejeon, where I live. This means my personal information has been leaked too. It is a blatant lie for Bom Kim and Coupang to say that there are only 3,000.

Furthermore, what did this criminal say? 6.3 million times per day, a maximum of 117 million times per month. Even if only one account was compromised per access, at least 500 million accounts would have been compromised from June to November. Yet Coupang is lying that only 3,000 accounts were leaked? This is a clear play on words.

There is one more point to note here, which is the entity that sent the email. The body of the email is filled with the words "we" and "our." It means there is more than one criminal.

The criminal that Coupang met was just one person, right? Answer me.

Witness Harold Rogers: We met one person. And all...

Rep. Hwang Jeong-ah: That's enough. Where did you meet?

Witness Harold Rogers: Following the government's instructions, we met the individual in question in China.

Rep. Hwang Jeong-ah: You met separately without the presence of the government or investigative agencies, didn't you?

Witness Harold Rogers: The government was fully involved in our meeting with the suspect.

Rep. Hwang Jeong-ah: Since you met separately, isn't Coupang once again committing a crime by attempting to downplay and cover up the incident through a self-exonerating investigation? What instructions did Bom Kim give regarding this investigation process?

Witness Harold Rogers: There was no self investigation by Coupang. It was an investigation conducted according to government instructions. I do not understand why this is being denied.

Rep. Hwang Jeong-ah: Bom Kim... forget it. What did the Board of Directors say? (Mic off) Did the Board of Directors take no action in this situation? Please state what decisions, if any, the Board made regarding this investigation process.

Witness Harold Rogers: The board said that if we must cooperate according to Korean law, we will follow Korean law, and as a result, I followed Korean law.

QUESTION: According to the Seoul Metropolitan Police Agency Cyber Investigation Unit case-file review, the suspect previously stated that, regarding the personal information leak incident of Coupang Corp., he directly reported to and discussed the matter with Coupang, Inc., and it is also confirmed that at the Coupang hearing he testified to the effect that he continuously consulted with Chairman Born Kim about the incident. Is that correct?

ANSWER: I provided general updates regarding the data issue to the board including Chairman Kim.

QUESTION: Do you mean you continuously reported the progress?

ANSWER: I gave general reports.

QUESTION: Since you were the General Counsel of Coupang, Inc., may it be understood that you reported on, discussed, and reviewed the personal information leak incident even before becoming CEO of Coupang Corp.?

ANSWER: Yes. I heard some matters concerning the data incident at a general level.

QUESTION: According to the Seoul Metropolitan Police Agency Cyber Investigation Unit case-file review, you stated that you first received the report of the Coupang personal information leak from Coupang, Inc.'s CISO (Chief Information Security Officer) [REDACTED], and thereafter directly reported and discussed it with the Coupang, Inc. board. Is that correct?

ANSWER: Yes.

QUESTION: You stated you served as General Counsel of Coupang, Inc. from around January 2021. From around November 2025, from whom and to what extent did you receive reports regarding the personal information leak incident of Coupang Corp.?

ANSWER: Before I became CEO of Coupang Corp., I received high-level reports from [REDACTED], who was the CISO of both Coupang, Inc. and Coupang Corp.

As I understand, in Korea the CISO is a legally required position.

QUESTION: Does the fact that the CISO reported to you (CAO and General Counsel) and you reported directly to the board indicate the Coupang Group internally viewed the matter as primarily a legal response rather than a technical one?

ANSWER: No. I received these reports because technical, legal, and business responses were all important. None was more important than another.

QUESTION: Among Coupang Group decision-makers, can it be said that you have the most accurate understanding of the facts of the data leak incident?

ANSWER: For broad questions such as who has the most accurate understanding, I am not sure how to respond. Since this is a significant issue, it involves a complex set of related considerations. While I have a general understanding of the matter, there have been numerous meetings and responses to regulatory authorities, and the situation involves legal issues under U.S. law, as well as legal issues in China and Korea. Accordingly, if I am to identify the person who is most knowledgeable about this matter, it would be difficult to do so unless you could specify which particular issue or aspect you are referring to.

QUESTION: According to the Seoul Metropolitan Police Agency Cyber Investigation Unit case-file review, [REDACTED] from US Legal initially handled the response to the personal information leak incident, and from around December 13, 2025, when contact with the personal data leaker (hereinafter the “leaker”) began, [REDACTED] from Coupang, Inc. Legal became involved. Why did the responsible department change from US Legal to Coupang, Inc. Legal within the Coupang Group?

ANSWER: I do not believe I explained it that way to the Cyber Investigation Unit. Initially, because it was a Korean legal issue, the Korean legal team (Coupang Corp. legal team) handled it. Once it was learned that the leaker was a Chinese national residing in China, this became a cross-border issue and Coupang, Inc. became more involved. Because legal and technical issues arose outside of Korea, two legal teams became involved together: the Korean legal team and the legal team of Coupang, Inc. The individuals you mentioned, [REDACTED] and [REDACTED], are part of Coupang, Inc. While I do not recall the exact date, the Coupang, Inc. legal team became involved from the point at which it was identified that the leaker was a Chinese national residing in China.

QUESTION: Are Coupang, Inc. Legal and US Legal different legal teams?

ANSWER: Coupang, Inc. is the parent company and has multiple legal functions. US Legal is one of them, and there are also a global litigation team and other subject-matter legal teams.

QUESTION: So US Legal handles issues under U.S. law and Coupang, Inc. Legal handles issues under the law of many different countries. So, in other words, can I say the team that gets involved varies depending on the scope of response required?

ANSWER: US Legal is under Coupang, Inc. Legal. It’s not that the responsible team changes. I think it can be explained as follows:

For matters limited to domestic issues, the Coupang Corp. legal team handles the response. However, since it was revealed that the leaker was a Chinese national and the matter became a cross-border issue, Coupang, Inc. began to get involved, and as a result, the legal teams of both entities (Coupang, Inc. and Coupang Corp.) started to handle the matter jointly.

At this point (16:22), Senior Inspector [REDACTED] exited and Inspector [REDACTED] entered as a participating investigator.

QUESTION: As General Counsel of the holding company, Coupang, Inc., did you oversee all of these teams?

ANSWER: Generally yes; they are teams within my organization.

QUESTION: Regarding the data leak incident of Coupang Corp., can it be said that a series of steps—including NIS involvement, contact with the leaker, and recovery of the devices—were reported to and discussed with Coupang, Inc.?

ANSWER: No. Not everything was reported. Different matters would have been reported at different times, and the reporting would generally have been at a high level. As to what specific details were reported, I would need a more specific question in order to provide an answer.

QUESTION: Senior Managing Director [REDACTED] from the Coupang Corp. legal team and Managing Director [REDACTED] who cooperated with the NIS stated they did not report directly to you regarding the personal information leak incident.

That means there was a separate reporting line for you. From whom did you receive reports?

ANSWER: That would vary depending on the timing and the specific issue. Generally, with respect to Korean legal issues, Vice President [REDACTED] of Coupang Corp. would provide updates to me, and with respect to global issues, [REDACTED] or [REDACTED] from the Coupang, Inc. legal team would provide updates.

At 16:30, one hour after the last break, a break of at least 10 minutes was offered pursuant to Article 23 (Provision of Breaks) of the Regulations on Mutual Cooperation between Prosecutors and Judicial Police Officers and General Investigation Rules.

The suspect and his counsel requested only a 15-minute break.

Questioning resumed at 16:45.

QUESTION: At the December 30, 2025 Coupang hearing, you were asked, *“You claimed that you conducted an internal investigation and announced the findings following government instructions. Is this claim still valid?”* by Representative Hwang Jeong-ah, correct?

ANSWER: I cannot recall the exact interpretation at the time, and since there is no official record of the simultaneous interpretation, there is no way I can check the interpretation that was provided. Therefore, I cannot know what the exact question was.

QUESTION: To that question, you answered, *“We did not conduct an investigation on our own, but investigated according to the instructions of the government,”* correct?

ANSWER: Yes, I answered to that effect.

QUESTION: You answered that the investigation was conducted not on your own but at the direction of the government. Which government agency did you mean?

ANSWER: The National Intelligence Service (hereinafter the “NIS”). The NIS directed us as part of a joint government response.

QUESTION: By “investigated according to the instructions of the government,” do you mean the entire process—recovering the devices, contacting the leaker, digital forensics, and bringing the devices into Korea—in cooperation with the NIS?

ANSWER: Yes, that is correct. As I understand it, the NIS contacted us and sent an official letter stating that the matter was being carried out as part of a joint government response.

That official letter cited specific statutory provisions indicating that we had an obligation to comply. What the NIS directed us to do was to recover the devices and obtain a confession from the leaker.

In that process, it also provided instructions on specific methods. There are records of more than 200 phone calls, and this communication took place over a period of approximately 20 days.

We carried out what the NIS said, obtained the leaker’s confession, and recovered the devices.

QUESTION: Regarding the “investigation” mentioned above, did any other government agency give instructions?

ANSWER: With respect to this data leak incident, we received a lot of directions from many regulatory authorities. If you are referring to the recovery of devices, my understanding is that it was directed by the NIS, and we did not receive such instructions from any other government agency.

When I referred to the “government agency” in my remarks at the Coupang hearing in this regard, I was referring solely to the NIS.

QUESTION: Coupang announced on December 25, 2025, that it contacted the leaker and recovered the devices under the direction of the government. In response on December 27, the NIS denied giving instructions but stated that it had engaged in discussions as part of information gathering and analysis after perceiving the situation as a national security threat. Correct?

ANSWER: That is not how I understood the content of the NIS’s written position. Although the NIS used somewhat ambiguous language at the outset, it ultimately acknowledged that it cooperated with us.

QUESTION: Coupang is being investigated for evidence destruction because it contacted the leaker and recovered the devices without notifying or getting consent from the police, who have been investigating the matter, although it is a party responsible for the personal information leak. Correct?

ANSWER: Yes.

QUESTION: And Coupang explained it was done at the direction of the NIS?

ANSWER: I understand that we proceeded in that manner under the direction of the NIS. The NIS told us not to inform the police and stated that the process was being carried out as part of a joint government response. I understood that we had an obligation to comply with such a request from the NIS. We then proceeded accordingly and successfully recovered the devices.

In addition, my understanding was that the NIS said it would communicate directly with the police on this matter and therefore instructed us not to communicate separately with the police.

QUESTION: However, the NIS explained to the effect that it was merely a request for cooperation and not an instruction that Coupang could have refused, correct?

ANSWER: Yes, I am generally aware that the NIS made a statement to that effect. However, since it is written in Korean, I do not know the exact details.

QUESTION: According to the NIS press release, it seems the NIS did not participate or communicate throughout the entire process, although Coupang says that it received instructions or orders from the NIS. Is that correct?

ANSWER: It would be difficult for me to comment on what the NIS is stating.

What I understand is that the investigation was conducted at the direction of the NIS.

QUESTION: To be more specific, the company secured the leaker’s statements and devices without reporting to the NIS, and as a result, it was suspected of having conducted a self-investigation, according to what we checked. Correct?

ANSWER: Yes, I am aware such allegations exist, and I understand that is why many Assembly Members of the committee shouted at me during the hearings over the two days.

QUESTION: When you say “such allegations exist” regarding having secured the leaker’s statements and the devices without reporting to the NIS, do you mean they are different from the facts?

ANSWER: Yes. Based on my understanding, and in my view, that is not consistent with the facts.

QUESTION: Rep. Hwang Jeong-ah’s questioning was based on those allegations. That is why she used the term “self-investigation.” Did you understand that?

ANSWER: I am aware that Rep. Hwang Jeong-ah made such a claim. However, to my knowledge, it does not appear that anyone shared with her the facts that I am about to describe.

The NIS sent an official letter, and that document stated that we were legally required to comply with its content. In addition, Managing Director [REDACTED] engaged in more than 200 phone calls with the NIS over a period of approximately 20 days. During that process, the NIS gave specific instructions, including directing that text messages be sent to the leaker in a particular manner, instructing [REDACTED] to travel to China, ordering that the leaker be summoned again so that his fingerprints can be obtained for his written confession, directing that divers be sent to a river in China to recover a device (a laptop) discarded by the leaker, and instructing when the devices should be handed over in the lobby of a building in Shanghai that had no CCTV coverage. The NIS then took possession of the devices, brought them back to Korea, and later returned them to Coupang. All of these steps were carried out under the direction of the NIS, and I continue to understand that this is what in fact occurred.

In light of these circumstances, I do not believe this can be characterized as a “self-investigation.”

I also question whether Rep. Hwang Jeong-ah posed her questions with knowledge of these specific factual details.

QUESTION: So, you claimed that it was not an internal investigation, but a government agency-directed one based on the grounds that the company consulted with the NIS in advance regarding contacting the leaker and the forensics?

ANSWER: Yes. Based on what was relayed to me by our teams, that is my understanding.

QUESTION: When Rep. Hwang asked, “*Which government department did you communicate with?*” you answered, “*As far as I know, the relevant agency seems to have acknowledged that they cooperated with us. Other than that, I have nothing more to say.*” Is that correct?

ANSWER: Yes, I believe I made a statement to that effect.

QUESTION: When you said the NIS acknowledged cooperation with Coupang, were you referring to the NIS’s statement issued around December 27, 2025?

At 17:22, participating investigator Inspector [REDACTED] left and Senior Inspector [REDACTED] entered.

ANSWER: Yes, I believe I made a statement to that effect.

I would like to add that on every occasion including Coupang’s public announcements around December 25 and December 26, 2025, and during the Coupang hearings around December 30 and December 31, 2025, Coupang was extremely careful not to mention the NIS first.

Nevertheless, Rep. Hwang Jeong-ah pressed by asking whether the government agency that had cooperated with Coupang was the NIS first. It was in that context that I said the NIS publicly acknowledged that the “government agency” referred to by Coupang was, in fact, the NIS itself.

QUESTION: When Rep. Hwang asked, *“Is it the NIS? You are saying it is the NIS, right?”* did you answer, *“The NIS confirmed publicly that they cooperated with us and took actions?”*

ANSWER: Yes, I did. As for the questions, there is no official record of the English interpretation as mentioned earlier, so I cannot know exactly how they were phrased. It is true, however, that I responded along those lines based on my understanding at the time.

QUESTION: You yourself used the term “cooperation.”

As a legally sophisticated person, you understand the difference between (i) Coupang “cooperating” with the NIS and (ii) Coupang “carrying out” the NIS’s directives and orders—in simple terms, the difference between legal obligation and voluntariness, between “must comply” and “may comply,” correct?

ANSWER: I believe this was a misunderstanding caused by differences in terminology and nuance between English and Korean. I am not sure whether Korean clearly distinguishes “cooperation” from “performance pursuant to instructions/orders,” but in English the word “cooperation” can be used for voluntary cooperation, assistance, and also compliance with instructions/orders.

And of course, I understand that also under U.S. law there is a distinction between mandatory and voluntary cooperation—for example, mandatory cooperation can be used with words such as “must,” “should,” and “will,” whereas voluntary cooperation can be used with “can.”

QUESTION: When Rep. Hwang asked, *“Who in the NIS did you communicate with? Who did you communicate with?”* you answered, *“I do not have the name information now, but I will provide the name.”* Is that correct?

ANSWER: As for the questions, there is no official record of the English interpretation as mentioned earlier, so I cannot know exactly how they were phrased. It is true, however, that I responded along those lines based on my understanding at the time.

QUESTION: Why did you not answer immediately at the hearing?

ANSWER: I was concerned that stating the name of an NIS agent in a public forum could, in some way, constitute a violation of anti-espionage related laws, so I refrained from mentioning the name during the hearing. In addition, I was also trying to be cautious so as not to place the Korean government in a difficult position.

QUESTION: After the hearing ended, did you actually provide the name to the Science and ICT Committee?

ANSWER: I am not sure. I would have to ask our team whether the name was provided. The National Assembly made hundreds of requests, so I did not get involved in each one; the legal and policy teams mainly handled them.

QUESTION: What is the name of the NIS officer you did not mention at the hearing?

ANSWER: The name is not coming to mind right now, but I understand that Managing Director [REDACTED] provided the name to the police.

QUESTION: Do you remember how many NIS officers there were?

ANSWER: I think it was three, but I am not sure. I heard only general information, not details.

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QUESTION: Were they Director-General ___, Division Chief ___, and Investigator ___?

ANSWER: My Korean is limited, so even if I hear Korean names, they do not stick with me. As such, I do not remember whether those were their names.

QUESTION: When Rep. Hwang Jeong-ah asked, *“Did the government agency (the NIS) clearly use the expression that it was a “direct order”?”*, you answered, *“The agency said we needed to cooperate, and because requests for cooperation are actually binding under Korean law, we understood that we had to follow this agency's instructions.”* Is that correct?

ANSWER: As for the question, as I said earlier, there is no official record of the English interpretation, so I cannot know exactly how the question was phrased, but it is correct that I answered to that effect based on what I understood at the time.

QUESTION: Rep. Hwang then asked again, *“So there was no expression such as “order” or “direct order”? Was there no order?”*, and you answered, *“There were orders. They were directives.”* Is that correct?

ANSWER: Again, as for the question, there is no official record of the English interpretation, so I cannot know exactly how the question was phrased, but it is correct that I answered to that effect based on my understanding at the time.

QUESTION: Do you mean the NIS actually gave you specific directives and orders, or do you mean there was no explicit “directive/order” language but you interpreted it as such and cooperated?

ANSWER: As I understand it, the NIS issued directives to us, and I understood those directives to be legally binding, which is why I responded in that manner.

By way of a specific example, the NIS instructed Managing Director [REDACTED] to travel to China, and at the time he was reluctant to do so. Coupang also objected to this. However, the Korea Legal team advised that, there was a legal obligation to comply with the NIS’s directives pursuant to the official NIS document, and accordingly we followed them. I consider this a direct directive.

QUESTION: During the cooperation process, did the NIS explicitly use words like “direction” or “order,” or say you must comply, or threaten to use coercive measures if you did not cooperate?

ANSWER: I do not know what precise wording was used. Coupang Corp.’s Legal team reported that we had to comply.

QUESTION: Is it correct that you were informed by Coupang Corp.’s Legal team that the NIS official letter and individual cooperation requests were legally binding?

ANSWER: Yes. I was told by Coupang Corp.’s Legal team that independent opinions were obtained

from two Korean law firms and both concluded there was an obligation to comply with the NIS. I probably received that report from Vice President ██████████

At this point, a printed copy of the NIS official document (December 2, 2025, No. 350) was presented to the suspect for review, and questioning continued.

National Intelligence Service

To: Representative Director of Coupang Corp.
(Via appropriate internal channels)
Subject: Request for Cooperation in Operational Matters Necessary for the Verification and Investigation of Cybersecurity Threats

1. Relevant Legal Basis

- a. Article 4(1)1(b) of the National Intelligence Service Korea Act: Collection, preparation, and distribution of intelligence on counterespionage, counterterrorism, and international criminal syndicates
- b. Article 4(1)1(e) of the National Intelligence Service Korea Act: Collection, preparation, and distribution of intelligence on cybersecurity, including international and national hacker organizations
- c. Article 4(1)3 of the National Intelligence Service Korea Act: Measures to identify, monitor, deter, and block activities threatening national security, and to protect the safety of the public
- d. Article 5(1) and (2) of the National Intelligence Service Korea Act: Requests for submission of materials and cooperation from state agencies and other entities, and conduct of investigations.
- e. Articles 102 and 103 of the Basic Guidelines for National Crisis Management: Establishment and operation of the National Cyber Crisis Management Group for a coordinated government response

2. The NIS (including the National Cyber Crisis Management Group), as part of a coordinated government response, requests the submission of relevant materials for cause analysis and response measures. We ask for your cooperation in this matter. End of Document.

National Intelligence Service (Official seal affixed)

<Official letter from the NIS>

QUESTION: As of December 2, 2025, after it was discovered that the leaker was a Chinese national and Coupang, Inc. began to become involved, and before you were appointed CEO of Coupang Corp.—did you, as CAO and General Counsel of Coupang, Inc., receive the above official letter?

ANSWER: I was informed that an NIS official letter had arrived, but I do not remember whether I personally received it. Even if I had, I cannot read Korean, so it likely did not remain in my memory.

QUESTION: When, and from whom, were you informed of the arrival of the NIS letter?

ANSWER: I do not remember when. The person who reported it was likely Vice President ██████████

QUESTION: The basis of your claim that there was an NIS directive or order is this document, correct?

ANSWER: Yes.

QUESTION: What other grounds are there?

ANSWER: All of the things the NIS told us to do can be considered grounds.

QUESTION: Is there wording in this document that can be deemed that there was a directive or order from the NIS?

ANSWER: Although I cannot read it myself, I was informed by Coupang Corp.'s legal team that the official document cites statutory provisions stating that the company receiving the document has an obligation to comply with the request for cooperation, and that we also received opinions from two independent law firms concluding that we were obligated to comply with the NIS's request for cooperation.

QUESTION: Even in the wording of this document, such as the title "Request for Cooperation in Operational Matters" and the phrase "requests the submission of relevant materials and we ask for your cooperation," there is no language that compels compliance with the NIS's directives or orders. What do you say?

ANSWER: You would need to direct that question to the two law firms directly—Shin & Kim and Kim & Chang. Because I do not read Korean and am not familiar with Korean law, I simply followed the advice I received from the law firms.

One additional point I would like to make is that, if I had not understood there to be a legal obligation to comply with what it says, I would never, under any circumstances, have sent Managing Director [REDACTED] to China to carry out tasks on behalf of the NIS, nor would I have dispatched divers to a river in China.

And considering the legal risks to [REDACTED], to myself, and to the company, if this had not been a legal obligation that must be followed, carrying out what were effectively NIS operations in China would have been absolutely unthinkable.

QUESTION: Is there documentation proving that the two law firms advised you to comply?

ANSWER: Because I was not directly involved to an extent that would allow me to know the detailed aspects, I am not certain whether such materials exist. I will check with Coupang Corp.'s legal team regarding the existence of any materials and whether they can be provided.

QUESTION: Who reported to and discussed with you the data leak incident, NIS cooperation, contact with the leaker, and recovery of the devices?

ANSWER: Many people depending on the issue:

- For technical matters: [REDACTED]
- For Korean legal matters: Vice President [REDACTED]
- For Chinese legal matters: [REDACTED] and [REDACTED]
- Also external counsel law firms.

QUESTION: Article 5(1) of the *National Intelligence Service Korea Act*, which is cited in the official letter, provides that the head of a state agency or other relevant institution or organization that receives a request for cooperation related to the performance of the NIS's duties shall comply with such request unless there is a justifiable reason not to do so, which provides for an exception whereby you, as the CEO of Coupang Corp., could make a decision to refuse the request if Coupang had a justifiable reason. If legal advice was obtained from two law firms, it appears that you would have been aware of this point—would that be correct?

ANSWER: Yes. I understand that Coupang Corp.’s legal team received advice from the two law firms that, although an exception exists under the statute, there was no justifiable reason that would allow us not to comply.

QUESTION: Please state specifically who within the Coupang Group discussed the NIS official letter and why the request was ultimately accepted.

ANSWER: With respect to the data leak incident, I provided a general report to the Coupang, Inc. board of directors and Chairman Kim Bom-suk, but no decisions were made by them regarding the matters you mentioned. Because this was a situation in which we were required to comply with obligations under Korean law, I understand it not to be a matter that requires a decision by the board of directors.

QUESTION: If Coupang Corp.’s legal team reviewed the *National Intelligence Service Korea Act*, then even if a decision had already been made around December 2, 2025—prior to your assumption of the CEO position—to accept the NIS’s request for cooperation, they would have recognized that the legal nature of such cooperation is such that Coupang could withdraw from or refuse it at any time should a justifiable reason arise?

ANSWER: My understanding is that we were advised that there is an exception provision but, there was no justifiable reason not to comply.

At this time (18:40) — Questioning was suspended for dinner.

Questioning resumed (19:35).

QUESTION: Given the remaining prepared questions, a second round of interrogation appears necessary. Will you be able to do it?

ANSWER: We are currently engaged in legal responses to 11 regulatory agencies, and at the same time I have to manage the company as the CEO of Coupang Corp. For those reasons, I would appreciate it if this investigation could be concluded in a single session. In addition, I kindly ask that the matters already examined by the Cyber Investigation Unit be addressed based on the content of that prior investigation.

QUESTION: For matters that cannot be questioned today due to the time constraints, can you respond through written statements?

ANSWER: Yes. If there are any areas that were not sufficiently addressed during today’s examination, I would appreciate it if you could take my circumstances into account and submit those questions in writing, in which case I will prepare and submit a sincere written response.

QUESTION: At the hearing, when Rep. Hwang Jeong-ah asked, “*Did that person from the NIS tell Coupang to contact the criminal (leaker), determine the investigation method, and tell you to conduct forensics?*”, did you answer, “*We did not conduct forensic analysis. We collected forensic images of the hard drives. This was an instruction from a government agency, and we provided this evidence to the government agency*”?

ANSWER: As for the question, as I mentioned earlier, there is no official record of the English interpretation, so I cannot know exactly how the question was phrased. It is correct, however, that I answered to that effect based on my understanding at the time.

QUESTION: There is also a fact that you responded, *“That agency (the NIS) told us to contact the suspect (the leaker). We did not want to contact the suspect (the leaker), but they requested us to contact the suspect multiple times, and although we refused, we learned that we had to follow the request according to the law, which is why we reached out to the suspect.”* Correct?

ANSWER: Yes, there is.

QUESTION: According to the Cyber Investigation Unit’s investigation records, around the afternoon of December 11, 2025, Coupang Corp. sent the leaker a questionnaire prepared by the NIS. Can you submit that questionnaire?

ANSWER: I am not familiar with that in detail. I will consult with my attorney and Coupang Corp.’s legal team and respond.

QUESTION: When Rep. Hwang Jeong-ah asked, *“You are saying now that the government agency ordered the forensic analysis, right? That person whose name you cannot disclose?”*, you responded, *“We did not conduct the forensic analysis. We collected forensic images of the hard drives. This was an instruction from a government agency, and we provided this evidence to the government agency.”*

ANSWER: As for the question, as I explained earlier, there is no official record of the English interpretation, so I cannot know exactly how the question was phrased. It is correct, however, that I answered to that effect based on my understanding at the time.

QUESTION: Are you saying the NIS specifically instructed that you should not conduct a forensic analysis but only obtain the images?

ANSWER: It is my understanding that they did not instruct us not to conduct a forensic analysis, but as I was not involved down to the detailed level, I do not know exactly. What I do understand is that the NIS allowed us to create a forensic copy.

However, on the day of the first hearing on December 30, 2025, I understood that the NIS had directed us to create a forensic copy. Accordingly, I testified to the effect that the NIS had directed the creation of a forensic copy. After the hearing concluded, Vice President ████████ told me that the NIS had not directed us to make a forensic copy, but rather had allowed us to do so.

Based on this new understanding, I clarified my testimony the following day, on December 31, 2025, at the Coupang hearing, stating that the NIS had not directed the creation of a forensic copy, but had allowed it.

At this time, the suspect was shown excerpts (pp. 41–43) of the December 30, 2025 hearing transcript containing the allegedly perjurious statements, and questioning continued.

Rep. Lee Yong-woo: If you don’t answer accurately, it will be considered perjury.

Mr. Rogers, during the hearing on the 17th, you said both Chairman Kim Bom-suk and you didn’t know about Mr. Jang Deok-jun’s industrial accident death. Did you really not know?

Witness Harold Rogers: That is not correct. I was provided with a news article written in Korean. So I was not aware of such news prior to coming to the hearing. Because it was in Korean, I could not read it.

Rep. Lee Yong-woo: Hold on.

Are you or are you not aware of Mr. Jang Deok-jun’s industrial accident death?

Witness Harold Rogers: Yes, I know. I said I am.

Rep. Lee Yong-woo: Let's look at the screen.

(While viewing video material)

You sent this email, correct?

On October 23, 2020, when the Daegu branch of the Ministry of Employment and Labor requested information regarding the industrial accident involving Jang Deok-jun at Coupang, the company's legal team sent an urgent email to executives, including you, asking whether the materials could be submitted. This is your reply to that email. The content says: "Shouldn't we also indicate in the description important points on the ease of the job? Highlight the fact that this isn't a job that creates strain physically – it appears that isn't clear in the Excel."

What was your intention behind this email?

Witness Harold Rogers: This document was submitted by an employee who was terminated for workplace harassment. It was not presented to me, and we have not been able to verify its authenticity.

Rep. Lee Yong-woo: Wait, wait, wait.

Please pause the timer.

I am the one leading the questioning.

Witness Harold Rogers: Yes, I understand, but please allow me to respond.

Rep. Lee Yong-woo: Hold on.

Witness Harold Rogers: Please allow me to provide a sufficient answer.

Rep. Lee Yong-woo: Wait, hold on, please.

I am the one leading the questioning.

Chairperson Choi Min-hee: I'll take care of it. Please proceed, representative.

Rep. Lee Yong-woo: I'm not asking about the source of this email. Answer the intent of the question. What is the purpose of this email? What is the purpose?

Witness Harold Rogers: I do not know the authenticity of this document. I have not seen it before.

Rep. Lee Yong-woo: Fine. That's enough.

If you claim you don't know something you do, that's perjury.

Two days after this email was sent, Kim Bom-suk, then CEO of Coupang Korea said "Make sure that no notes about Jang Deok-jun working hard are retained", "Why would he be a hard worker?", etc. Recently in the media...

Witness Harold Rogers: Have you authenticated this document...

Rep. Lee Yong-woo: Listen. My question isn't finished.

Recently, multiple reports of industrial accident cover-ups have been confirmed in the media.

Did you know about this at the time, or did you not?

Witness Harold Rogers: The authenticity of these documents has not been verified at all. We have not concealed anything...

Rep. Lee Yong-woo: Just answer whether you knew about this at the time or not.

Witness Harold Rogers: Please allow me to answer...

Rep. Lee Yong-woo: Did you or did you not know about this at the time?

Witness Harold Rogers: This document's..

Rep. Lee Yong-woo: Stop giving evasive answers.

Were you aware of this at the time or not?

Witness Harold Rogers: Aware of what?

Rep. Lee Yong-woo: This —I'm showing it on the screen right now.

Witness Harold Rogers: Have you authenticated this document?

Rep. Lee Yong-woo: I'm the one asking the questions here.

Look at this. Look at the screen. I said, look at the screen.

At that time, were you aware of what is now shown on the screen, or not?

Witness Harold Rogers: We underwent a thorough investigation by the Ministry of Employment and Labor. We hid nothing.

QUESTION: At the Coupang hearing on December 30, 2025, Rep. Lee Yong-woo showed you an email concerning the Daegu Regional Office of the Ministry of Employment and Labor's request for materials regarding the Coupang industrial accident involving Jang Deok-jun, correct?

ANSWER: Rep. Lee Yong-woo did show a document on the screen at the time. It was something I was seeing for the first time, it had not been provided in advance, and only portions of it were shown. Accordingly, I was unable to verify whether the document was authentic.

At this point, a printed excerpt of the PPT materials from the December 30, 2025 Coupang hearing was presented to the suspect for review. The suspect's personal interpreter, [REDACTED], read the allegedly perjurious portion for the suspect, and questioning continued.

〈Excerpt from Coupang Hearing PPT – Email〉

QUESTION: Is the email shown to you at the Coupang hearing the same as the content above?

ANSWER: Yes, that's correct.

QUESTION: Is that email above one you wrote?

ANSWER: My name does appear at the top, but I cannot verify its authenticity. Seeing it only on the screen at the hearing, I could not determine whether it was my email, and I was seeing it for the first time. We had requested that documents to be used at the hearing be provided in advance—which is standard practice in U.S. hearings—but the Korean National Assembly refused. I was unable to verify whether it was genuine, and I was not given sufficient time to review its authenticity.

QUESTION: The above email is translated as: *“Shouldn’t we also indicate in the description important points on the ease of the job? Highlight the fact that this isn’t a job that creates strain physically – it appears that isn’t clear in the Excel.”* Does the English in the email actually have that meaning?

ANSWER: I do not know Korean, so I cannot determine whether the English and the translation have the same meaning.

QUESTION: Rep. Lee Yong-woo continued to ask, *“The company’s legal team sent an urgent email ... This is your reply to that email ... what was your intention behind this email?”*, and you answered, *“This document was been submitted by an employee who was terminated for workplace harassment. It was not presented to me, and we have not been able to verify its authenticity.”* Is that correct?

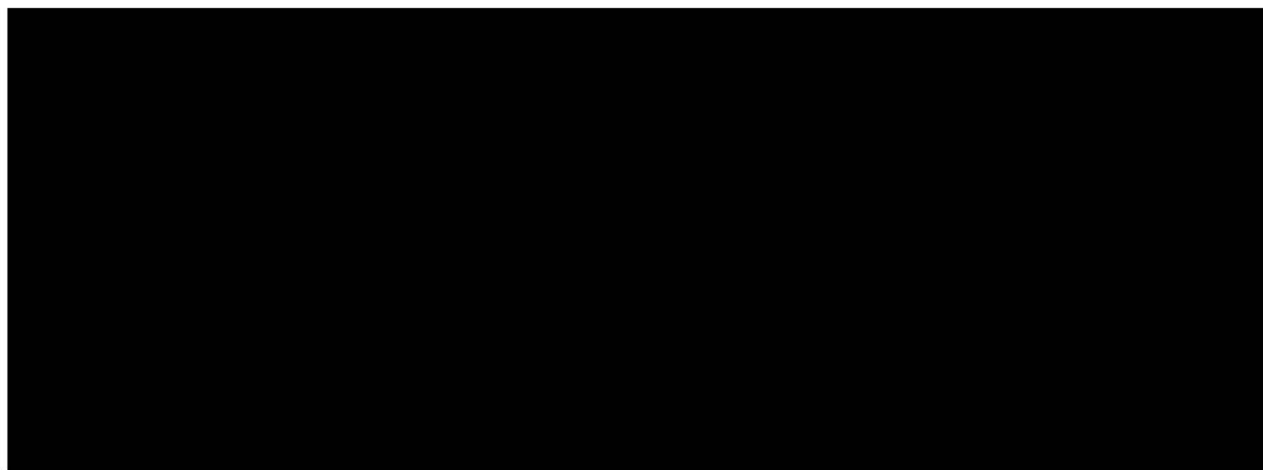
ANSWER: As for the question, as I said earlier, there is no official record of the English interpretation, so I cannot know exactly how the question was phrased, but it is correct that I answered to that effect based on my understanding at the time.

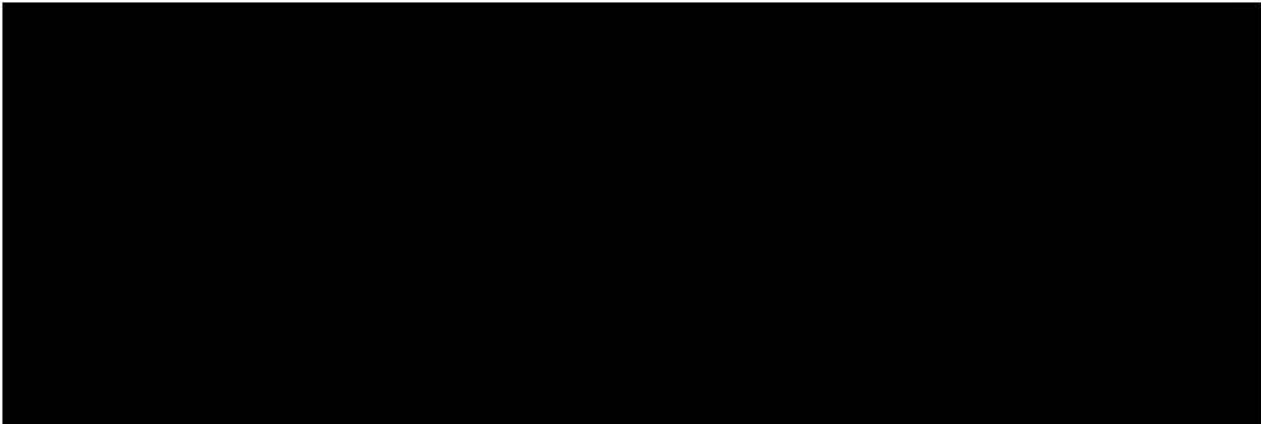
QUESTION: What specifically did you mean when you said, *“we have not been able to verify its authenticity”*?

ANSWER: I was not given an opportunity to review the document in advance. It appears to be an email from five years earlier, and I did not personally remember it. As a U.S. attorney, when presented with a document for the first time, one must verify whether it is genuine, and there are various ways to do so. For me to answer at the hearing, I had to have an independent recollection of it, but nothing came to mind, and there was no other way during the hearing to confirm authenticity.

At that time, I had no choice but to rely on my memory as to whether I had written that email, but nothing came to mind.

At this time, the original version of the October 23, 2020 email which had been presented at the Coupang hearing (i.e., the unedited original version before the National Assembly’s compilation) was printed out and shown to the suspect for review, and questioning continued.





〈Original email document before the National Assembly's compilation〉

QUESTION: Is it correct that you wrote this email?

ANSWER: It was about five years ago, and even seeing it here now, I have no recollection of writing it, so I do not know whether I authored it.

QUESTION: What specifically did you mean when you answered, *"This document was not presented to me"*?

ANSWER: We had requested to the Science and ICT Committee that the documents to be presented during the hearing be provided in advance. In the U.S. Congress as well, it is standard practice to request advance provision of documents in such situations.

However, the National Assembly's Science and ICT Committee did not provide those documents, and instead displayed them on the screen during the hearing, at which point I saw them for the first time. That is why I stated that they had not been presented in advance.

QUESTION: Who is the employee you referred to as having been terminated for workplace harassment?

ANSWER: According to the reports I received from Coupang Corp.'s legal team and media coverage, I heard that it may have been provided by [REDACTED], who worked as CISO at Coupang Corp. around [REDACTED]

[REDACTED] was someone I terminated for misconduct, including workplace harassment and unauthorized access to other employees' emails.

QUESTION: Rep. Lee Yong-woo then attempted to move to the next question and you requested permission to continue answering. What additional point were you trying to make at that time?

ANSWER: I believe Rep. Lee interrupted my answer at the time. I was trying to say that I was deeply remorseful for the passing of the deceased and that we were fully cooperating with the government investigation.

That statement, though, was not recorded in the National Assembly minutes.

QUESTION: Rep. Lee again asked, *"I am not asking about the source of the email. Answer the intent of the question. What is the purpose of this email? What is the purpose?"*

Nevertheless, you responded, *"I don't know the authentication of this document. I have not seen it before."* Did you make that response?

ANSWER: As for the question, as I said earlier, there is no official record of the English interpretation, so I cannot know exactly how the question was phrased, but it is correct that I answered to that effect

based on what I understood at the time. I was seeing the email for the first time on the screen because the Committee had not provided materials in advance.

QUESTION: Then, Rep. Lee warned that perjury could be established, saying *“If you claim you don’t know something you do, that is perjury”*, and asked *“Recently, multiple reports of industrial accident cover-ups have been confirmed in the media. Did you know about this at the time, or did you not?”* Then, you responded by saying, again, *“The authenticity of these documents has not been verified at all. We have not concealed anything.”* Is that correct?

ANSWER: As for the question, as I said earlier, there is no official record of the English interpretation, so I cannot know exactly how the question was phrased, but it is correct that I answered to that effect based on what I understood at the time.

QUESTION: You instead countered Rep. Lee, *“Have you authenticated this document?”* and Rep. Lee continued to ask whether you had been aware of the contents of the email, with both sides repeating their own statements without responding to each other’s remarks.

The purpose of Rep. Lee’s question was whether you knew the contents of the email at that time, yet you did not answer that simple and plain question.

Did you actually not know the contents of the email—including giving instructions to revise Excel around Oct. 2020—at the time of the hearing?

ANSWER: In order to respond to the contents of the document, it was necessary to verify whether it was authentic. However, since I was in a situation where I could not confirm its authenticity, I had no choice but to testify in that manner. I was also not given any opportunity in advance to verify whether the document was genuine.

QUESTION: After the Coupang hearing, did you verify the authenticity of the email?

ANSWER: No. But according to Coupang Corp.’s document retention policy, materials from around 2020 would no longer remain, so verification is not possible.

At this point, a printed excerpt from the December 31, 2025 Coupang hearing transcript (page 157) containing the alleged perjurious statements was presented to the suspect for review. The suspect’s personal interpreter, [REDACTED] read the portion related to the perjury allegation for the suspect, and questioning continued.

Rep. Lee Yong-woo: I am Lee Yong-woo, representing Seo-gu Eul, Incheon.

We have clearly seen the true nature of Coupang over the last couple of days - yesterday and today. The parent company Coupang has two key subsidiaries: CFS and CLS, a logistics company and a package delivery company. These two companies employ tens of thousands of daily temps. Under this abnormal employment structure engaging short-term workers and special contract workers, Coupang is enjoying enormous amount of revenue.

A delivery worker Jeong Seul-gi, who collapsed from overwork, left behind these words on KakaoTalk: “I’m running around like a dog.” In the end, the worker died from overwork. These Coupang workers are laboring on the brink of life and death, what measures has Coupang taken for them? The shocking realities have been confirmed yesterday and today.

According to recent findings presented by medical professionals and researchers during the social dialogue of the National Assembly, night shifts should not exceed 12 times per month, and consecutive days of night shifts should not go on for more than 4 days. Exceeding this threshold imposes severe strain on the human body. Currently, for Coupang's delivery workers, night shifts should not exceed 5.8 hours per day. Yet Coupang's delivery workers are being pushed into an entirely different world, forced to work under extremely harsh conditions. They are working in an environment where it is not surprising even if they die at any moment. And in the midst of this, Coupang claims to be a global enterprise, a world-class company. How long will a company that earns profits on top of such casualties continue to boast and operate in this manner? It is truly appalling. It seems impossible to expect Coupang to be a company that saves lives and benefits society.

Witness Rogers, please look at the screen.

(referring to the screen)

This email, which we confirmed multiple times, is an email actually sent by you.

Now, look at the next screen.

This is a messenger conversation between Kim Bom-suk and a stakeholder showing that you carefully reviewed the video regarding Mr. Jang Deok-jun and received hourly updates. Do you still maintain the position that you know nothing about this and that it is distorted, fabricated information from someone suing the company? Please answer yes or no.

Witness Harold Rogers: That's correct.

Rep. Lee Yong-woo: Then, since you claim this was fabricated, we asked this morning that you investigate the matter and provide the investigation results along with relevant emails and messenger records, the actual emails and messenger records. Why have you not submitted them? Please answer this in the end.

I believe the National Assembly and the government are also significantly accountable for this devilish Coupang. Was there no law or system in place? That's not true. They existed, yet Coupang has been left unchecked. Yesterday and today, many government officials here have spoken, but very few have given clear answers such as, which specific action will be taken and by when.

A National Assembly investigation is scheduled. By then, it would be good to provide the public with answers like: this is what we have done so far, these are the remaining gaps, and we will complete them by this deadline.

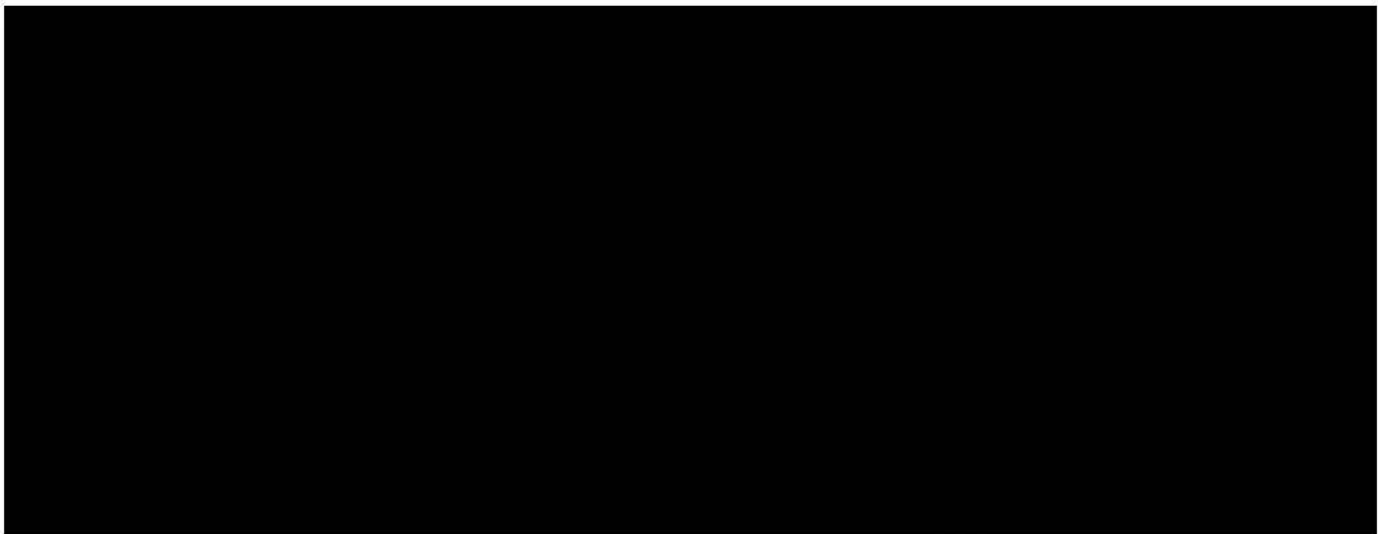
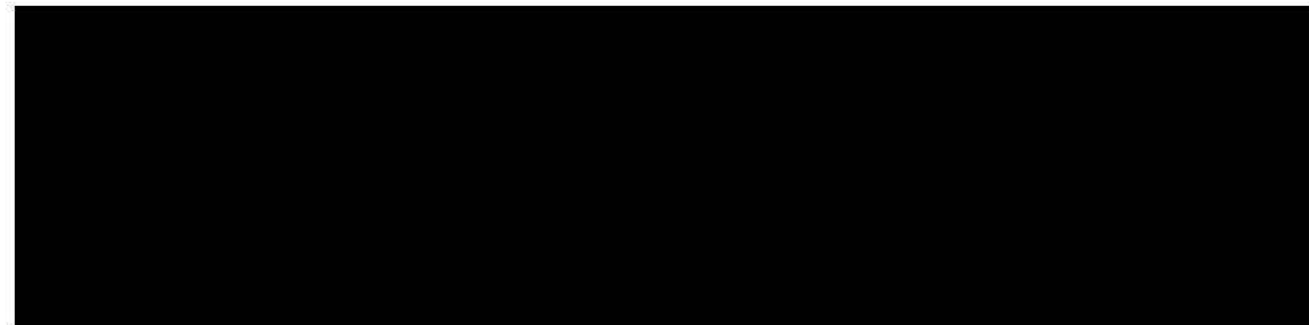
I would like to list them one by one, but there are just too many issues that have not been properly addressed by each ministry. For years, these matters have been neglected, and as a result, Coupang has come to this point. This time, I urge you to swiftly implement concrete measures to relieve the humiliation and frustration that the public has been feeling while watching these events unfold yesterday and today. The National Assembly will not just talk in words but take practical action so that there will be no more death of laborers and no more insults made to the Korean people. Let us work together. Let us pool our strength and wisdom.

That is all.

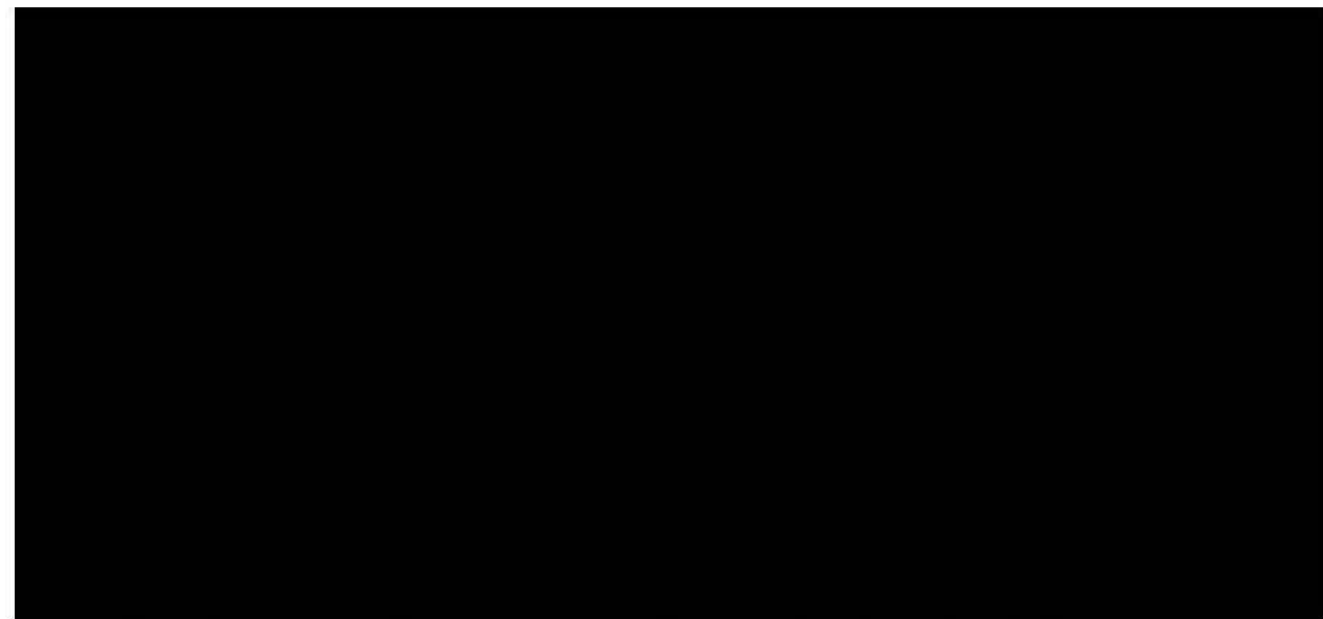
QUESTION: At the continued Coupang hearing on December 31, 2025, you were presented not only with the email but also with additional message records, correct?

ANSWER: They were not presented to me; they were shown on the screen.

At this time, an excerpt of the relevant portion from the December 31, 2025 Coupang hearing PPT materials was printed and presented to the suspect for review, after which questioning continued.



〈Email Excerpt from Coupang Hearing PPT〉



〈Screenshot of the Signal messages between Kim Bom-suk and Park Dae-jun〉

QUESTION: At the December 31, 2025 Coupang hearing, you were presented on the screen with the email and the screenshot of messages as shown above, correct?

ANSWER: They were not presented to me; they were shown on the screen.

QUESTION: At the December 31, 2025 hearing, Rep. Lee Yong-woo asked, *“Ttis email, which we confirmed multiple times, is an email actually sent by you. Now, look at the next screen. This is a messenger conversation between Bom Kim and a stakeholder showing that you carefully reviewed the video regarding Mr. Jang Deok-jun and received hourly updates. Do you still maintain the position that you know nothing about this and that it is distorted, fabricated information from someone suing the company? Please answer yes or no.”*

Then you answered, *“Yes, that’s correct.”* Did you make that statement?

ANSWER: As for the question, as I mentioned earlier, there is no official record of the English interpretation, so I cannot know exactly how the question was phrased. It is correct, however, that I answered to that effect based on my understanding at the time.

QUESTION: Is it correct that you answered to the effect that you did not know about both the email and the messages and that they were fabricated?

ANSWER: I do not recall hearing the second part of the question, and my response at the Coupang hearing was consistent with what I had stated the previous day—that I was unable to verify the authenticity of the document. I never stated that it was fabricated or a false document.

At the hearing on December 31, 2025, Rep. Lee Yong-woo phrased the question along the lines of *“Is your position still the same?”*, which I understood to be a question of the same substance. However, when I later reviewed the transcript, I found that the question appeared to combine two points at once—whether it was something I did not know about, and whether it was fabricated—and I do not recall hearing the second part.

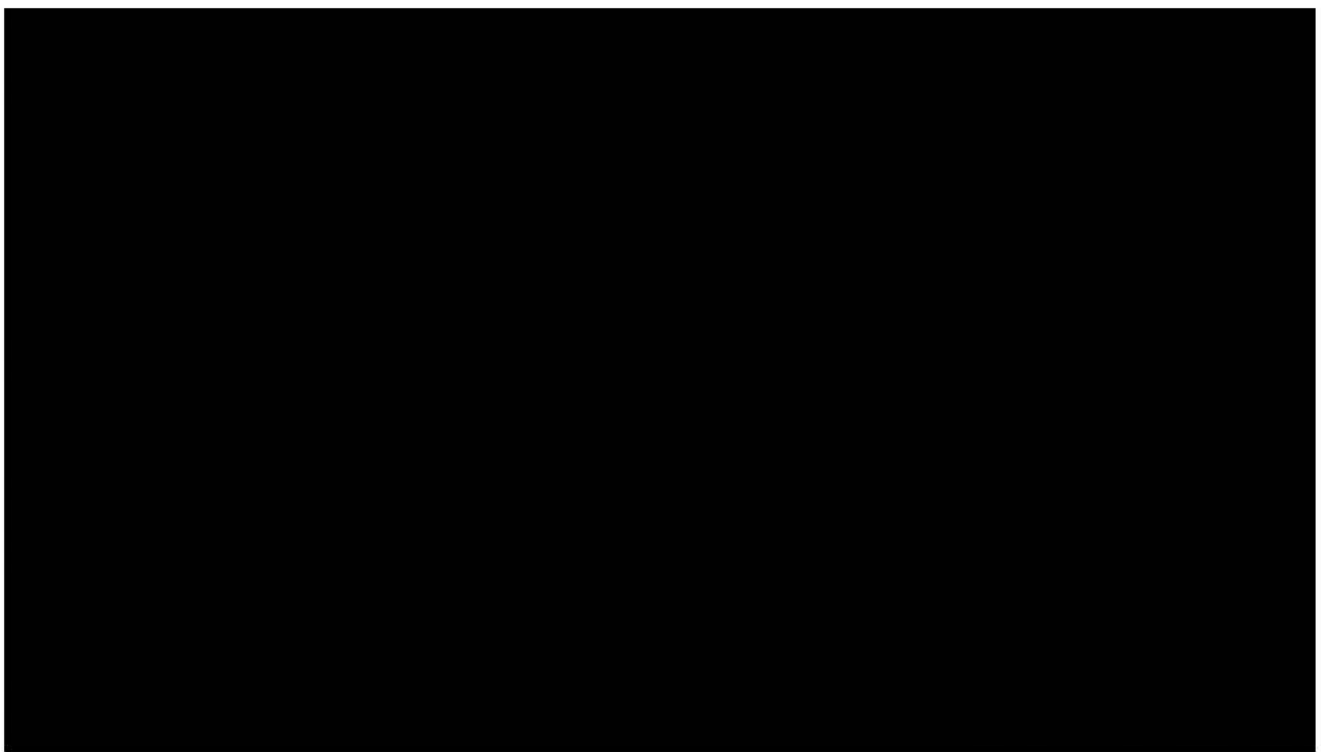
I answered *“Yes, that is correct”* for the purpose of reaffirming my position that I could not verify the authenticity and did not know the contents, not in response to a question asking whether the document was fabricated.

QUESTION: Since simultaneous interpretation was being provided, you should have accurately heard through the receiver (earpiece) the question, including the part asking whether the materials were fabricated. What do you say?

ANSWER: No. Throughout the hearing there was shouting, people spoke over each other, and the interpretation did not proceed smoothly or clearly as you might think. I do not remember hearing such a question.

At this point, the original, unedited Signal message conversation records were printed out and presented to the suspect in writing, and questioning continued.

<Space reserved for image insertion>



<Original Signal message before the National Assembly's compilation >

QUESTION: Is this the same message that you reviewed at the Coupang hearing?

ANSWER: Only a portion of the edited message was shown on the screen.

QUESTION: According to the written brief submitted by the defendant (Coupang) in the lawsuit between Coupang and [REDACTED] seeking confirmation of invalid dismissal, which the police obtained, the defendant did not dispute the authenticity of the materials and instead actively acknowledged their authenticity and presented its position regarding the contents of the document. What is your response?

ANSWER: As I was not the General Counsel when the lawsuit began, I was not directly involved and thus do not know the details, but my understanding is that the situation was similar to what would be under U.S. law.

Before reaching the stage of contesting authenticity in court—that is, before the authentication of documents—there was no need to dispute authenticity.

I understand there was no need to challenge authenticity because there was ample evidence to rebut the opposing party's claims.

QUESTION: If the brief had been submitted while you were serving as General Counsel of Coupang, Inc., could it be viewed that you would have been specifically aware of the content of the plaintiff's submission containing the messages above?

ANSWER: I don't know, especially since I was not General Counsel at first. Even if I were General Counsel, it may vary depending on the significance of each matter, and this particular matter was not at a level that would have been reported to me.

As I understand it, in this lawsuit the potential financial impact was not significant, so it likely was not regarded as a serious litigation matter.

QUESTION: The brief was submitted during the appellate stage of the lawsuit seeking confirmation of invalidity of dismissal around 2025, when you were serving as General Counsel. What do you think?

ANSWER: I was not aware of it. The only thing I remember about that lawsuit is that it was listed as one of the cases the company had won.

Coupang has a very large number of ongoing lawsuits.

QUESTION: Even if the monetary exposure was small, since it was a legal dispute with a former executive who knew the company's internal affairs well, it seems likely you would have been informed. What do you say?

ANSWER: No. My understanding is that the lawsuit did not rise to the level that would have triggered a report to me. The lawsuits I receive detailed reports on are, for example, those that could affect our core business model or exceed approximately \$200 million in monetary value.

At this point, an excerpt (pp. 96–97) from the December 31, 2025 Coupang hearing transcript concerning the alleged perjury statements was presented and shown to the suspect. The suspect's personal interpreter, [REDACTED], read the relevant portions, and questioning continued.

Rep. Ahn Ho-young: One more thing. Coupang requires resigning workers to submit a resignation letter, and the content of that letter includes serious clauses where workers waive their rights to severance pay or to claiming delay damages.

Please show PPT slide #1.

This is an actual resignation letter used by Coupang CFS for its workers. In the section on Consent to Settlement of Monetary Claims, it states: "If an IRP account is not provided, severance pay cannot be paid." "I agree that no delay damages shall accrue even if the payment of my severance pay is delayed due to my failure to provide an IRP account, and I will raise no objections of any kind, whether civil, criminal, or administrative."

Minister Kim Young-hoon, is it legally permissible to include such clauses in a resignation letter, and to state that severance pay cannot be paid or delay damages will not accrue?

Witness (Minister Kim Young-hoon): No, payment of severance pay cannot be restricted simply because an IRP account was not provided. There is no such provision in the law.

Rep. Ahn Ho-young: CEO Rogers, will you delete these improper and unlawful phrases from the resignation letter?

Witness Harold Rogers: This document is in Korean, so I cannot read it. If you provide it to me, I will review it.

Rep. Ahn Ho-young: CEO Rogers, the Minister of Employment and Labor just stated that these phrases have no legal basis under the Korean law. If they go against the Korean law, you agree they should be removed, do you not?

Witness Harold Rogers: To my knowledge, all our contracts have been reviewed multiple times by the Ministry of Employment and Labor over the past few years. We understand them to be compliant with the law. If that is not the case, we will discuss with the relevant department and make changes to ensure compliance.

Rep. Ahn Ho-young: Please work with the relevant department and revise the form to comply with Korean law.

Witness Harold Rogers: To my knowledge, all our contracts comply with the law. They have been reviewed by the Ministry of Employment and Labor, and I also understand they were reviewed by the Ministry of Land, Infrastructure and Transport. We will continue to ensure compliance.

Rep. Ahn Ho-young: MOLIT—has your ministry ever reviewed this resignation letter or confirmed its legality in consultation with Coupang?

Reference Witness (Vice Minister Hong Ji-sun, for Kim Yun-duk): I'm afraid resignation letters do not concern our ministry.

Rep. Ahn Ho-young: So those are irrelevant.

Minister Kim Young-hoon, you heard CEO Rogers just now—what's your view?

Witness (Minister Kim Young-hoon): There is no provision allowing severance pay to be restricted simply because, for instance, an IRP account was not provided. I repeat: no such regulation exists.

Rep. Ahn Ho-young: So the Ministry of Employment and Labor has never approved this resignation letter or confirmed its legality, correct?

Witness (Minister Kim Young-hoon): As for whether MOEL consulted on this resignation letter, I do not currently know the facts, but I will check immediately after this session.

Rep. Ahn Ho-young: CEO Rogers, you could face perjury charges for this.

Witness Harold Rogers: I have stated that I cannot understand the document because it is in Korean and not translated. However, to my knowledge, all our contracts have been reviewed by MOEL and MOLIT. We ensure these forms comply with the law.

Rep. Ahn Ho-young: You will probably be held accountable for perjury.

QUESTION: At the Coupang hearing on December 31, 2025, in response to Rep. Ahn Ho-young's question regarding the resignation letter containing provisions requiring resigning workers to waive their right to severance pay or delay damages if they failed to provide an IRP account, did you answer:

"To my knowledge, all our contracts have been reviewed multiple times by the Ministry of Employment and Labor over the past few years. We understand them to be compliant with the law. If that is not the case, we will discuss with the relevant department and make changes to ensure compliance"?

ANSWER: As for the question, there is no official record of the English interpretation as mentioned earlier, so I cannot know exactly how they were phrased. It is true, however, that I responded along those lines based on my understanding at the time.

QUESTION: When Rep. Ahn Ho-young then said, *"Please work with the relevant department and revise the form to comply with Korean law,"* did you respond:

"To my knowledge, all our contracts comply with the law. They have been reviewed by the

Ministry of Employment and Labor, and I also understand they were reviewed by the Ministry of Land, Infrastructure and Transport. We will continue to ensure compliance”?

ANSWER: As for the question, there is no official record of the English interpretation as mentioned earlier, so I cannot know exactly how they were phrased. It is true, however, that I responded along those lines based on my understanding at the time.

QUESTION: Has Coupang in fact had all of its contracts reviewed multiple times by the Ministry of Employment and Labor and the Ministry of Land, Infrastructure and Transport?

ANSWER: I do not handle CFS matters directly, so I do not know the details with certainty, but my understanding is that, depending on the type of contracts, they are generally subject to review by the relevant authorities. We have been subject to continuous inspections by the Ministry of Employment and Labor. Around 2024, we underwent more than 400 investigations and inspections by regulatory authorities, and around 2025, there were approximately 500 instances of supervision and investigation by regulators, most of which, as I understand it, were conducted by the Ministry of Employment and Labor.

I understand that various types of the company’s contracts were being reviewed through this process, because government authorities provided comments instructing us to revise specific contractual language, and we made revisions accordingly.

Rep. Ahn Ho-young and I repeated essentially the same questions and answers, and in order to further clarify, I stated that many of the company’s contracts were being reviewed. I also answered that, if that were not in fact the case, I would return to the company and discuss the matter again.

QUESTION: You stated the company was subject to hundreds of regulatory investigations, inspections, and supervision. Can you submit materials proving that contracts were reviewed and revised depending on their type through this process?

ANSWER: Yes, I will submit them through my counsel.

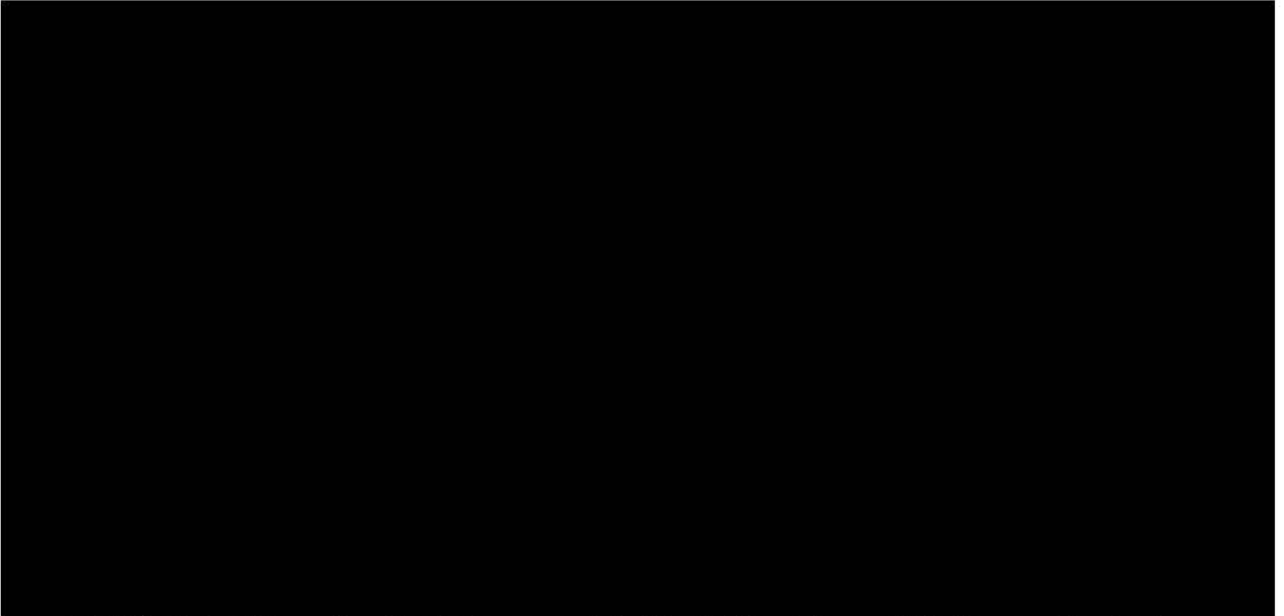
At this point, it was past 21:00 and the investigator asked whether the suspect wished to continue late-night questioning. Due to difficulty returning for another appearance, the suspect requested a late-night examination and submitted a written request, after which questioning continued.

QUESTION: Although Rep. Ahn Ho-young did not ask about review by the Ministry of Land, Infrastructure and Transport, you stated that, in addition to the Ministry of Employment and Labor, those contracts were also reviewed by that ministry. Do you have materials showing review by the Ministry of Land, Infrastructure and Transport?

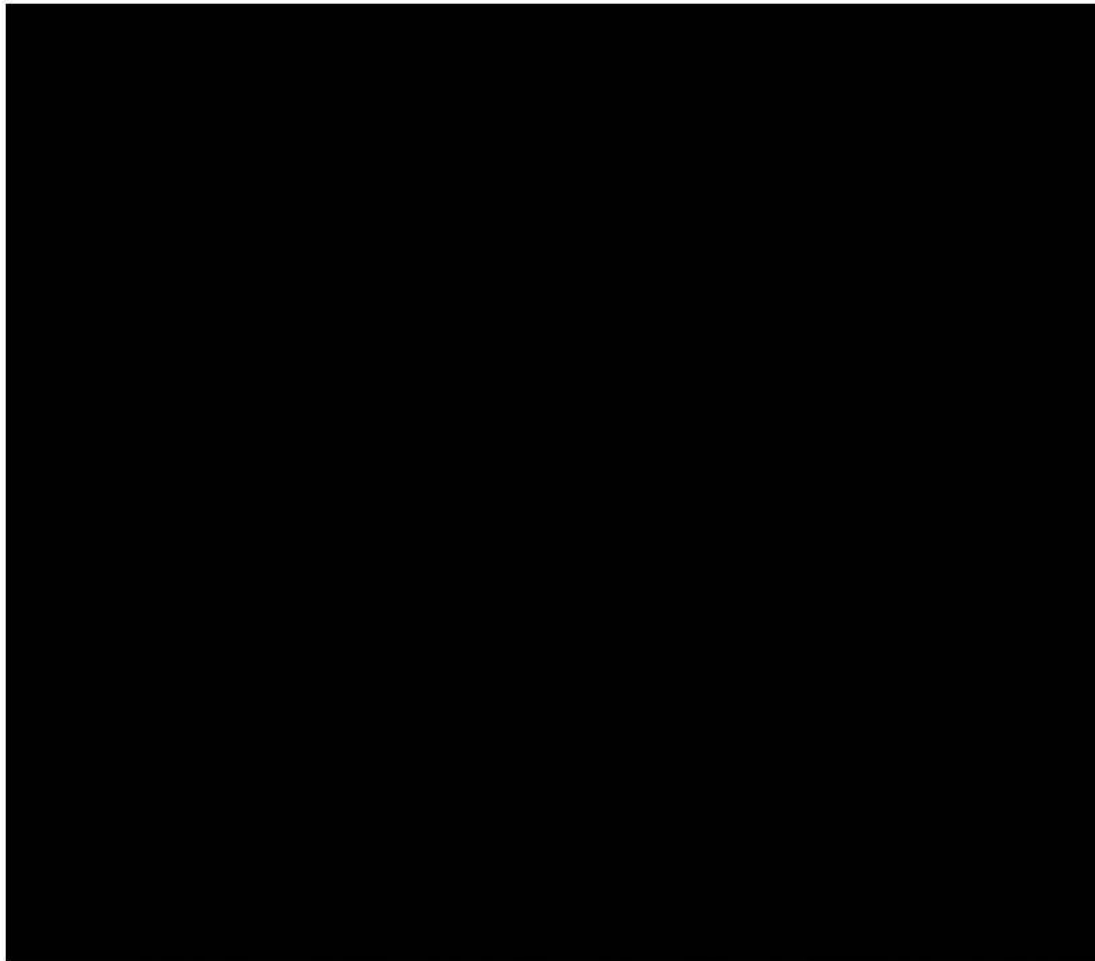
ANSWER: Yes, I will check.

I understand these two government agencies review various company contracts. Because the logistics and delivery sectors fall under the regulatory purview of the Ministry of Land, Infrastructure and Transport, I understood that the Ministry to be reviewing them. During the hearing I also continuously qualified my answers by saying “that is my understanding” or “to my knowledge.”

At this point, a printed screenshot of the resignation-form PPT material shown to the suspect during the December 31, 2025 Coupang hearing was presented for review, and questioning continued.



< A PPT slide of the resignation letter presented at the National Assembly's Coupang hearing>



<Original copy of Coupang's resignation letter before the National Assembly's edit>

QUESTION: Is this the resignation letter that was presented to you at the Coupang hearing?

ANSWER: Yes, it was shown on the screen. However, because I do not understand Korean, I cannot tell whether this is in fact a resignation letter or whether the document shown to me now is the same one. I was not even aware of the existence of such a resignation letter.

QUESTION: The form states that if a resigning worker does not provide an IRP account, severance pay cannot be paid. Are you aware of that?

ANSWER: I am not aware.

QUESTION: The form also states that even if severance payment is delayed due to the worker's failure to provide an IRP account, delay damages will not accrue. Are you aware of that?

ANSWER: I am not aware.

QUESTION: Rep. Ahn Ho-young suggested that the content of the resignation letter could violate Korean law. Did you understand that point?

ANSWER: No. I could not understand what Rep. Ahn was saying, did not know whether the document presented was a resignation letter, and did not even know whether such a form existed in substance. Even a translation of the document was not provided.

QUESTION: If that is the case, with regards to whether the form is in violation of the law, why have you answered that the form had been reviewed by the Ministry of Employment and Labor and the Ministry of Land, Infrastructure and Transport?

ANSWER: Even after I initially responded, “You know that I cannot read this,” Rep. Ahn Ho-young continued to ask questions based on the resignation letter. However, since I was not aware of that resignation letter, I could not answer questions about it, and instead responded—based on my general understanding of Coupang’s contracts—that Coupang’s contracts are subject to review by relevant authorities such as the Ministry of Employment and Labor and the Ministry of Land, Infrastructure and Transport.

QUESTION: After you stated that it had been reviewed by the Ministry of Employment and Labor and the Ministry of Land, Infrastructure and Transport, Rep. Ahn Ho-young confirmed the facts with the ministers, respectively, and again warned you of possible perjury.

Nevertheless, you testified:

“I have stated that I cannot understand the document because it is in Korean and not translated. However, to my knowledge, all our contracts have been reviewed by MOEL and MOLIT. We ensure these forms comply with the law.”

Have you made this statement?

ANSWER: As for the question, as I mentioned earlier, there is no official record of the English interpretation, so I cannot know exactly how the question was phrased. It is true, however, that I responded along those lines based on my understanding at the time.

QUESTION: Will you faithfully respond to any additional written questions regarding the details of today’s investigation?

ANSWER: Yes.

QUESTION: Have you voluntarily corrected, changed, or withdrawn any of your testimony made in the hearings held around December 30 and 31, 2025 ?

ANSWER: I have stated that the NIS had instructed the extraction of a forensic image around December 30, 2025. I later stated that the NIS had allowed the retention of a forensic image copy around December 31, 2025, based on a new understanding following VP [REDACTED] further elaboration on the matter.

QUESTION: Do you have any additional materials or statements to submit?

ANSWER: No.

QUESTION: Are the foregoing statements true?

ANSWER: Yes.

QUESTION: Do you have anything further to add?

ANSWER: No.

The above statement record was reviewed by the declarant through an interpreter (i.e., read out to him), and as he stated that there were absolutely no errors, additions, reductions, or changes to be made from what he had stated, it was initialed together with the interpreter and then signed (name and seal affixed).

Interpreter: [REDACTED]
(affixed with signature/seal)

Declarant: Harold Lynn Rogers
(affixed with signature/seal)

Defense Counsel: [REDACTED]
(affixed with signature/seal)

Defense Counsel: [REDACTED]
(affixed with signature/seal)

Feb 6, 2026

Judicial Police Officer Inspector [REDACTED]
(affixed with signature/seal)

Judicial Police Officer Senior Inspector [REDACTED]
(affixed with signature/seal)

Judicial Police Officer Inspector [REDACTED]
(affixed with signature/seal)

Investigation Process Confirmation Form

Category	Notes
1. Time of Arrival at the Investigation Location	February 6, 2026 13:30
2. Start and End Time of the Investigation	☐ Start Time: Feb 6, 2026 13:30 ☐ End Time: Feb 6, 2026 13:30
3. Start and End Time of Review of Investigation Record	☐ Start Time: Feb 6, 2026 21:44 ☐ End Time: Feb 7, 2026 3:14
4. Other Matters Necessary to Confirm the Progress of the Investigation Process	As stated in the record
5. Whether Any Objection Was Raised or Any Opinion Was Stated Regarding the Matters Recorded in the Investigation Process, and the Details Thereof	
February 6, 2026 After investigating Harold Lynn Rogers, Judicial Police Officer Inspector [REDACTED] [REDACTED] obtained confirmation from Harold Lynn Rogers with respect to the matters stated above. Confirmed by: Harold Lynn Rogers (affixed with signature/seal) Judicial Police Officer: Inspector [REDACTED] (affixed with signature/seal)	

Exhibit 28:
CPNG-HJC119-0001673
Section 301 Petition for Relief

**BEFORE THE OFFICE OF THE
UNITED STATES TRADE REPRESENTATIVE**

**PETITION FOR RELIEF UNDER SECTION 301
OF THE TRADE ACT OF 1974, AS AMENDED**

**REPUBLIC OF KOREA'S
ACTS, POLICIES, AND PRACTICES
TARGETING COUPANG, INC.**

ON BEHALF OF

Greenoaks Capital Partners LLC and Altimeter Capital Management, LP

COVINGTON & BURLING LLP
One CityCenter
850 Tenth Street, N.W.
Washington, DC 20001-4956
Tel: [REDACTED]

*Counsel to Greenoaks
Capital Partners LLC and
Altimeter Capital Management, LP*

January 22, 2026

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I. INTRODUCTION

Greenoaks Capital Partners LLC (“Greenoaks”) and Altimeter Capital Management, LP (“Altimeter”) (collectively, “Petitioners”) respectfully submit this petition under Section 302(a) of the Trade Act of 1974, as amended, to request that the Office of the United States Trade Representative (“USTR”) investigate and respond to the unreasonable and discriminatory acts, policies, and practices of the Government of the Republic of Korea, particularly those targeting U.S. technology and online retail company Coupang Inc. and its wholly-owned Korean subsidiary Coupang Corp. (collectively, “Coupang”). Greenoaks and Altimeter hold equity interests in Coupang valued at more than \$1.5 billion.

The Korean Government is currently in the midst of a whole-of-government assault on Coupang. Operating the largest online retail marketplace in South Korea, Coupang has emerged as a U.S. champion and leading innovator in e-commerce. Coupang is often referred to as the “Amazon of South Korea.” The company is widely recognized for its “Dawn Delivery” service, which guarantees next-morning delivery for orders placed by midnight. This service is supported by Coupang’s proprietary logistics network, comprising more than 100 fulfillment and logistics centers, advanced automation and software systems, and a fleet of over 25,000 delivery vehicles operating nationwide.

Coupang’s commercial success and leading role in the transformation of the Korean e-commerce sector were made possible by not only cutting-edge U.S. technologies, but also by U.S. investors such as Greenoaks and Altimeter. The Korean Government’s unreasonable and discriminatory actions targeting Coupang therefore directly impair substantial U.S. economic interests and threaten U.S. innovation and investment in the technology sector in Korea.

While Coupang should be a symbol of U.S.-Korea partnership, instead it reflects Korea's disrespect for fair and transparent regulatory practices, particularly when it comes to U.S. technology companies. The Korean Government has used a limited data breach in November 2025 as a pretext for launching a whole-of-government pressure campaign, unjustifiably and arbitrarily singling out Coupang for discriminatory treatment and disproportionate punishment.

In November 2025, Coupang discovered a data incident that was perpetrated by a former Coupang employee—a Chinese national based in China.¹ The breach was limited in scope, with approximately 3,000 user accounts downloaded by the threat actor. By all objective accounts the breach was promptly contained, in part through Coupang's cooperation with Korean authorities. Korean officials, however, have seized upon the incident to engage in a hostile campaign towards the company.

Over a matter of weeks, the Korean Government's hostility has escalated into a coordinated effort to cripple Coupang's operations. The Korean Government has disseminated false information with respect to the scale and sensitivity of the data involved in the breach, threatened Coupang with unjustifiable record penalties, weaponized investigative and enforcement authorities that bear no relation to the alleged conduct, referred senior executives (including U.S. nationals) for criminal prosecution, called for travel bans that would prevent U.S. executives from leaving Korea, and threatened the revocation of Coupang's business license. The Government's actions

¹ Coupang, Form 8-K/A, Item 1.05 (Dec. 29, 2025), <https://ir.aboutcoupang.com/financials/sec-filings/sec-filings-details/default.aspx?FilingId=19025871> (Ex. 01); see also Lee Mi-ji, *Coupang Recovers Leaker's Devices, Confirms No External Data Transmission*, The Chosun Daily (Dec. 25, 2025), <https://www.chosun.com/english/industry-en/2025/12/25/KQK4652CFVGH7MX5WRGMOJQRQ/> [<https://perma.cc/R5A8-BVBU>] (Ex. 81).

are not only impairing Coupang's operations, but also eroding Coupang's customer base, with some consumers shifting to Korean competitors.²

The Korean Government's relentless and disproportionate reaction flows from Korea's highest office. Led by President Lee Jae Myung's bold pronouncement that Coupang should face penalties so severe that it fears collapse,³ the governmental response to a limited data breach has involved investigations by more than a dozen federal agencies, multiple inter-ministerial task forces, and the mobilization of hundreds of investigators and auditors. This overwhelming response bears no rational relationship to the objective facts of the data incident, and it is wildly out of proportion with governmental responses to similar incidents involving Korean and Chinese companies.

The bottom line is that the Korean Government is singling out a successful U.S. innovator, misusing the criminal process and regulatory authorities as instruments of economic coercion rather than legitimate enforcement, and engaging in unfair and discriminatory treatment that bears no justifiable connection to the alleged government concern of addressing a limited data breach.

Particularly in light of Korea's recent commitments to the U.S. Government not to discriminate against U.S. technology companies,⁴ Korea's disproportionate attacks on Coupang

² Korea Bizwire, *Coupang Data Breach Triggers Shift in Korea's E-Commerce Landscape*, The Korea Bizwire (Jan. 21, 2026), <http://koreabizwire.com/coupang-data-breach-triggers-shift-in-koreas-e-commerce-landscape/342492> [<https://perma.cc/4APR-8NGH>] (Ex. 02).

³ Kim Tae-jun, *Exclusive: Presidential Office Prohibits Staff From Contacting Coupang*, The Chosun Daily (last updated Dec. 25, 2025), <https://www.chosun.com/english/national-en/2025/12/25/RRXZA7V2EJBGZJHRZBZO7N7BL4/>; The Dong-A Ilbo, *Lee calls for tougher fines after Coupang data leak* (Dec. 13, 2025), <https://www.donga.com/en/article/all/20251213/6009706/1> [<https://perma.cc/NY3C-5BKF>] (Ex. 03).

⁴ U.S. Trade Representative, *Fact Sheet: The United States and Korea Agree to the Korea Strategic Trade and Investment Deal* (Nov. 2025), [https://ustr.gov/about/policy-offices/press-office/fact-sheets/2025/november/fact-\(continued...\)](https://ustr.gov/about/policy-offices/press-office/fact-sheets/2025/november/fact-(continued...))

cannot be ignored. The explicit targeting of U.S. executives for criminal referral and travel restrictions represents an especially serious escalation, raising concerns not only about discrimination against U.S. commerce, but also about the personal safety and legal exposure of U.S. nationals doing business in Korea.

Although this petition focuses on the Korean Government's unreasonable and discriminatory actions against Coupang specifically, this attack is part of a broader and persistent pattern of conduct by the Korean Government. The U.S. Government, U.S. companies, other interested stakeholders, and the press have documented the Korean Government's weaponization of investigations and enforcement actions against U.S. technology companies. These discriminatory and unjustified attacks have been exacerbated by recent legislative developments in Korea that specifically target U.S. technology companies. Coupang's case thus presents a paradigmatic example of a systemic policy and practice that burdens or restricts U.S. commerce within the meaning of Section 301 of the Trade Act of 1974 ("Section 301"), by rendering U.S. technology companies operating in Korea less competitive, less innovative, and less secure. Korea's whole-of-government campaign against Coupang is not only impairing substantial U.S. economic interests, but also establishing a dangerous precedent that commercial success by U.S. companies in Korea may lead to political retaliation, regulatory harassment, and personal legal jeopardy for U.S. executives.

* * *

As set forth in this petition, Korea's acts, policies, and practices are actionable under Section 301. Part II of this petition outlines the legal standard for action under Section 301 and

sheet-united-states-and-korea-agree-korea-strategic-trade-and-investment-deal [<https://perma.cc/9N3H-8WNL>] (Ex. 04).

Petitioners' standing to submit a Section 301 petition. Part III details Korea's acts, policies, and practices, which are unreasonable, discriminatory, and burden or restrict U.S. commerce, not only with regard to the U.S. technology industry in general, but also with regard to Coupang in particular. Part IV requests specific countermeasures to address the Korean Government's pattern of discriminatory and unreasonable conduct against Coupang. Part V addresses Petitioners' request for a public hearing and identifies other forms of relief sought by the Petitioners under the Trade Act of 1974 or any other provision of law.

II. LEGAL STANDARD

Under Section 301(b), the U.S. Trade Representative may take "all appropriate and feasible action" where he determines that "an act, policy, or practice of a foreign country is unreasonable or discriminatory and burdens or restricts United States commerce," and that an "action by the United States is appropriate."⁵ Section 301(d)(5) defines "discriminatory" to "include . . . any act, policy, and practice which denies national or most-favored nation treatment to United States goods, services, or investment."⁶ Under Section 301(d)(3)(A), "unreasonable" refers to an act, policy, or practice that, "while not necessarily in violation of, or inconsistent with, the international legal rights of the United States, is otherwise unfair and inequitable."⁷ The statute further provides that, in determining if a foreign country's practices are unreasonable, "reciprocal opportunities" offered to foreign firms in the United States "shall be taken into account, to the extent appropriate."⁸

⁵ 19 U.S.C. § 2411(b).

⁶ 19 U.S.C. § 2411(d)(5).

⁷ 19 U.S.C. § 2411(d)(3)(A).

⁸ 19 U.S.C. § 2411(d)(3)(D).

Under Section 302(a), any “interested person” can file a petition with USTR requesting that an action be taken under Section 301, with the petition “setting forth the allegations in support of the request.”⁹ “Interested persons” is defined broadly for the purpose of filing a petition, as it “includes, but is not limited to, domestic firms and workers, representatives of consumer interests, United States product exporters, and any industrial user of any goods or services that may be affected” by unfair foreign trade practices.¹⁰ Petitioners Greenoaks and Altimeter are, respectively, a limited liability company and a limited partnership, constituted under the laws of Delaware. Greenoaks and Altimeter are interested persons under the statute because their economic interests are adversely affected by the Korean Government’s acts, policies, and practices targeting Coupang. In particular, Greenoaks and Altimeter manage significant investments on behalf of investors in Coupang, Inc., the U.S. parent company of Coupang Corp., its wholly owned Korean subsidiary. In addition to being Korea’s largest online retail company, Coupang sources billions of dollars in products from U.S. companies for sale on its retail sites in Korea and throughout the Indo-Pacific.¹¹ In submitting this petition, Greenoaks and Altimeter seek to protect U.S. economic interests associated with the investments they manage in Coupang against the escalating existential threat posed by recent actions of the Korean Government against Coupang.

Petitioners note that they are providing herein information reasonably available to them, and they are providing the information they have at this time, including information on the laws, regulations, and other measures that are the subject of this petition. Given the urgency of the

⁹ 19 U.S.C. § 2412(a).

¹⁰ 19 U.S.C. § 2411(d)(9).

¹¹ Coupang, *Meet Coupang: The U.S. Tech Company Driving American Exports*, <https://www.aboutcoupang.com/English/news/news-details/2025/meet-coupang-the-u-s-tech-company-driving-american-exports/#> [<https://perma.cc/YZN3-8LVH>] (Ex. 05).

matter and its ongoing nature, Petitioners reserve the right to supplement this record as additional information becomes available.

III. KOREA’S ACTIONS ARE UNREASONABLE AND DISCRIMINATORY, AND BURDEN OR RESTRICT U.S. COMMERCE UNDER SECTION 301(b)

Korea has a well-established history of targeting U.S. companies in the technology sector for discriminatory and arbitrary treatment and overly aggressive enforcement actions. Emblematic of the Korean Government’s disparate treatment of U.S. companies are Korea’s actions against Coupang. For years, the Korean Government has selectively weaponized audits, raids, and inspections as tools to undermine Coupang’s business. Korea’s recent escalation of this hostile campaign and its increased regulatory scrutiny of Coupang only underscores the unfair and unjust nature of Korea’s actions, which lack any discernible factual basis or regulatory justification, and are wholly disproportionate to Government actions taken with respect to non-U.S. companies in similar circumstances.

Because this disparate treatment is effectively based on nationality and places U.S. technology companies like Coupang and their investors at a disadvantage relative to domestic competitors and other investors in the Korean market, Korea’s actions constitute discrimination under Section 301. Moreover, Korea’s acts, policies, and practices are unreasonable because they are directed and supported by the government, and harm not only U.S. technology companies and U.S. investors, but also U.S. innovation and technological leadership, all while Korean companies freely enjoy commercial opportunities and market access in the United States.

A. Korea’s History of Discriminatory Treatment of U.S. Businesses

There is no shortage of examples of the Korean Government targeting U.S. companies with overly aggressive enforcement actions. The Korea Fair Trade Commission (“KFTC”) routinely

subjects U.S. companies to aggressive tactics.¹² U.S. technology companies, including Coupang, are subject to frequent raids, overly aggressive enforcement, and threats of criminal prosecution that are entirely disproportionate, punish common industry practice, and lead to unfair and unjustified harassment and monetary penalties.¹³ Over the last decade alone, a string of U.S. technology companies have found themselves in the KFTC’s crosshairs, and U.S. companies have faced some of the largest fines in Korea’s history.¹⁴

¹² American Chamber of Commerce Korea, *Policy Talks with KFTC Chairperson* (Dec. 15, 2025), https://www.amchamkorea.org/pp/latest_news/amcham_news/read/?idx=2616 [<https://perma.cc/C3NY-EQ4G>] (describing a meeting in which the KFTC Chairman addressed concerns about discriminatory investigations and enforcement against U.S. companies) (Ex. 06); U.S. Chamber of Commerce, *Submission to Amb. Greer on Harm from Non-Reciprocal Trade Arrangements*, Annex A, p. 32 (Mar. 11, 2025), https://www.uschamber.com/assets/documents/250311_USChamber_Comments_ForeignTradeBarriers_USTR_FIN_AL.pdf [<https://perma.cc/54B6-E7MH>] (noting that “the Korea Fair Trade Commission’s arbitrary investigations, rulings, and actions . . . often disproportionately target U.S. companies”) (Ex. 07).

¹³ See, e.g., Consumer Technology Association, *Comments on the 2026 National Trade Estimate Report*, p. 34 (Oct. 30, 2025), <https://www.cta.tech/media/lsyafiqe/cta-comments-to-ustr-on-nte-2026-topics.pdf> (Ex. 08).

¹⁴ See Nigel Cory & Robert Holleyman, *Safeguarding U.S. Companies from Unfair South Korean Competition Policies*, National Bureau of Asian Research (June 12, 2025), <https://www.nbr.org/publication/safeguarding-u-s-companies-from-unfair-south-korean-competition-policies/> (Ex. 09); see also Se Young Lee & Stephen Nellis, *South Korea Fines Qualcomm \$854 million for Violating Competition Laws*, Reuters (Dec. 28, 2016), <https://www.reuters.com/article/world/south-korea-fines-qualcomm-854-million-for-violating-competition-laws-idUSKBN14H05X/> (Ex. 10); Kim Bo-eun, *Korea Fines Google W207 Bil. for Abuse of Market Dominance*, The Korea Times (Sept. 14, 2021), <https://www.koreatimes.co.kr/business/tech-science/20210914/korea-fines-google-w207-bil-for-abuse-of-market-dominance> [<https://perma.cc/B2BV-XMUJ>] (“This is the third-largest fine to be imposed by the KFTC on a company for abuse of their dominant market status. Other cases involved Qualcomm, a U.S. semiconductor and telecommunications equipment company.”) (Ex. 11); Eun-Young Jeong, *Qualcomm Faces \$853 Million Fine from South Korea over Alleged Antitrust Violations*, Wall Street Journal (Dec. 28, 2015), <https://www.wsj.com/articles/qualcomm-fined-more-than-850-million-in-south-korea-for-alleged-antitrust-violations-company-to-fight-decision-1482894283> [<https://perma.cc/8WJ7-58DY>] (Ex. 12); Julie Masson, *Apple Faces Criminal Charges for Obstructing Probe in Korea*, Global Competition Review (Mar. 31, 2021), <https://globalcompetitionreview.com/article/apple-faces-criminal-charges-obstructing-probe-in-korea> [<https://perma.cc/N2EL-AKE4>] (Ex. 13); Hyunsu Yim & Heekyong Yang, *South Korea Fines Google \$32 Million for Blocking Games on Competing Platform*, Reuters (Apr. 11, 2023), <https://www.reuters.com/technology/south-korea-fines-google-32-mln-blocking-release-games-competitors-platform-2023-04-11/> (Ex. 14); Kim Seung-hyeon & Ahn Sang-hyun, *Google’s YouTube Music Deal Avoids Sanctions, Shakes S. Korean Streaming Market*, The Chosun Daily (May 23, 2025), <https://www.chosun.com/english/industry-en/2025/05/23/C5LAZXN5LJD7LE4FZH4T62ITOI/> [<https://perma.cc/TA5G-P6RY>] (Ex. 15).

USTR's own statements about Korea's discriminatory e-commerce and digital trade barriers confirm the Korean Government's practice of targeting U.S. companies. For instance, in the 2025 NTE Report, USTR identified a number of barriers to trade in the digital and e-commerce sectors, including Korea's competition policy, restrictions on location-based data, and data localization requirements, among others.¹⁵ USTR's previous NTE Reports similarly identified how Korea's digital policies discriminate against U.S. technology companies.¹⁶ This longstanding practice of the Korean Government explains why, as the U.S. State Department noted in its most recent statement on the investment climate in Korea, "U.S. firms have raised concerns that KFTC

¹⁵ See U.S. Trade Representative, 2025 National Trade Estimate Report on Foreign Trade Barriers of the President of the United States on the Trade Agreements Program, pp. 252-253 (Mar. 2025), <https://ustr.gov/sites/default/files/files/Press/Reports/2025NTE.pdf> [<https://perma.cc/PD4H-RYGT>] (Ex. 16); see also Senate Committee on Finance, *Response to Senator Questions: The President's 2025 Trade Policy Agenda*, pp. 11-12 (Apr. 8, 2025), https://www.finance.senate.gov/imo/media/doc/responses_to_questions_for_the_record_to_jamieson_greer2.pdf [<https://perma.cc/B2WA-NN7Q>] (in responding to a question from Senator Young (R-IN) regarding "digital trade barriers abroad" from countries like Korea "that, while framed as neutral, disproportionately target U.S. companies operating at scale," Ambassador Greer confirmed that the United States "will oppose discriminatory measures that target U.S. technology companies," and that he is "exploring using any and all of the tools available to me as the U.S. Trade Representative") (Ex. 17).

Petitioners understand that these data restrictions were promulgated under the Personal Information Protection Act. See Personal Information Protection Act (Act No. 19234, Mar. 14, 2023) (Ex. 18); Enforcement Decree of the Personal Information Protection Act (Presidential Decree No. 35343, Feb. 25, 2025) (Ex. 19). Petitioners have attached the English versions of the relevant statutes in this Petition, and are happy to provide Korean language versions upon request.

¹⁶ See, e.g., U.S. Trade Representative, 2024 National Trade Estimate Report on Foreign Trade Barriers of the President of the United States on the Trade Agreements Program, pp. 243 (Mar. 2024), <https://ustr.gov/sites/default/files/2024%20NTE%20Report.pdf> [<https://perma.cc/F8WS-3CM4>] (Ex. 20); U.S. Trade Representative, 2023 National Trade Estimate Report on Foreign Trade Barriers of the President of the United States on the Trade Agreements Program, pp. 262-263 (Mar. 2023), <https://ustr.gov/sites/default/files/2023-03/2023%20NTE%20Report.pdf> [<https://perma.cc/YFJ5-Q79Y>] (Ex. 21); U.S. Trade Representative, 2019 National Trade Estimate Report on Foreign Trade Barriers of the President of the United States on the Trade Agreements Program, pp. 324-326 (Mar. 2019), https://ustr.gov/sites/default/files/2019_National_Trade_Estimate_Report.pdf [<https://perma.cc/S72D-2T46>] (Ex. 22).

targets foreign companies with aggressive enforcement.”¹⁷ Those concerns are heightened where enforcement is paired with public intimidation campaigns and the prospect of personal legal jeopardy for executives of U.S.-linked firms.

Members of Congress have also expressed consistent concern with Korea’s digital policies and regulatory enforcement. A letter from 43 members of Congress in July 2025 identified legislative developments in Korea that “would impose disparate legal and enforcement standards designed to undermine innovative business models and disadvantage successful American companies,” while also highlighting that the KFTC’s discriminatory investigations “greatly constrain[] U.S. business operations in the Korean market.”¹⁸ In May 2025, Representative Carol Miller (R-WV) introduced H.R. 3193, the “United States-Republic of Korea Digital Trade Enforcement Act,” which included as the sense of Congress that “South Korea’s discriminatory economic policies” are contributing to the U.S. bilateral trade deficit with Korea, and noted that “South Korea is considering additional discriminatory digital regulations that would unduly burden United States businesses while benefitting Chinese technology companies.”¹⁹

Although USTR successfully negotiated a commitment from Korea this past November “to ensure that U.S. companies are not discriminated against and do not face unnecessary barriers in

¹⁷ U.S. Dep’t of State, *Investment Climate Statements: South Korea*, p. 15 (Sep. 2025), https://www.state.gov/wp-content/uploads/2025/08/638719_2025-Republic-of-Korea-Investment-Climate-Statement.pdf [<https://perma.cc/Q22X-Q8F5>] (Ex. 23).

¹⁸ See Letter from 43 Members of Congress to Ambassador Greer, Secretary Bessent, and Secretary Lutnick (July 1, 2025), <https://adriansmith.house.gov/sites/evo-subsites/adriansmith.house.gov/files/evo-media-document/7.1.2025-final-korea-digital-trade-letter.pdf> [<https://perma.cc/Q9YR-4RAZ>] (Ex. 24).

¹⁹ United States-Republic of Korea Digital Trade Enforcement Act, H.R.3193, 119th Cong (2025) (Ex. 25).

terms of laws and policies concerning digital services,”²⁰ the Korean Government’s treatment of Coupang discredits that commitment. The disproportionate attacks on Coupang are irreconcilable with any credible assurance of a stable, rules-based operating environment for U.S. digital commerce and investment.

B. Korea’s Unreasonable and Discriminatory Treatment of Coupang

Even against the backdrop of the Korean Government’s historic discrimination against U.S. companies, Korea’s treatment of Coupang is particularly egregious and uniquely harmful. For years, the Korean Government has selectively weaponized audits, raids, and inspections as tools to undermine Coupang’s business. Coupang has faced extraordinary scrutiny from regulators who demand access to its offices, personnel, and records in a way that impairs its ability to run its day-to-day operations. Petitioners are unaware of any similarly situated Korean competitor who has faced regulatory scrutiny anywhere near the same scale or intensity. That discrimination has escalated into a coordinated, whole-of-government campaign in which multiple agencies operate in parallel to overwhelm Coupang’s operations and management capacity.

The Korean Government’s relentless focus on Coupang for unfair and discriminatory actions is not entirely new. A myriad of government actors, including the Ministry of Employment and Labor (“MOEL”), the KFTC, the Financial Supervisory Service (“FSS”), and the National Tax Service (“NTS”) have harassed Coupang in recent years. By way of example, in 2024, the KFTC investigated Coupang under the Monopoly Regulation and Fair Trade Act (“MRFTA”) for

²⁰ White House, *Joint Fact Sheet on President Donald J. Trump’s Meeting with President Lee Jae Myung* (Nov. 13, 2025), <https://www.whitehouse.gov/fact-sheets/2025/11/joint-fact-sheet-on-president-donald-j-trumps-meeting-with-president-lee-jae-myung/> [<https://perma.cc/KDS5-G7DY>] (Ex. 26).

allegedly using its search algorithms and other measures to boost its own products.²¹ Coupang was sanctioned with a fine of approximately \$100 million, the largest fine ever imposed by Korea on a retailer, and a criminal complaint was filed against the company.²² By contrast, when Naver, Coupang’s Korean-owned competitor, was investigated under the MRFTA regarding similar allegations, its fine was only \$23 million (which was later reversed) and there was no criminal referral.²³ This disparate treatment is emblematic of a broader pattern: Korea applies one standard to a successful U.S.-linked innovator and another to powerful domestic competitors.

1. The November 2025 Data Breach

On November 18, 2025, Coupang discovered a data breach and promptly launched an internal investigation. Coupang also disclosed the data breach to the Government and began working closely with Government agencies, especially the National Intelligence Service (the “NIS”), to ensure the breach was contained. Coupang retained leading cybersecurity firms and determined that a former employee had relied on insider knowledge and a restricted “Fallback Key” to forge authentication tokens and access customer data.²⁴ The investigation confirmed that the former employee had access to millions of accounts, but downloaded and retained user data

²¹ Petitioners understand that this investigation was conducted pursuant to Korea’s Monopoly Regulation and Fair Trade Act (Act No. 20711, Jan. 21, 2025) (**Ex. 27**); *see also* Enforcement Decree of the Monopoly Regulation and Fair Trade Act (Presidential Decree No. 35382, Mar. 12, 2025) (**Ex. 28**).

²² Kwon Soon-wan et al., *Coupang Fined 140 Billion Won For Manipulating Search Results For Private Brands*, The Chosun Daily (Jun. 14, 2024), <https://www.chosun.com/english/industry-en/2024/06/14/D6O4KS2P2VF2FGHV2LYVFWW3OI/> [<https://perma.cc/9JZ5-XXYR>] (**Ex. 29**).

²³ Nam Hyun-woo, *Naver Fined W26.7 Bil. For Manipulating Search Algorithm*, The Korea Times (last updated Oct. 7, 2020), <https://www.koreatimes.co.kr/business/tech-science/20201006/naver-fined-w267-bil-for-manipulating-search-algorithm> [<https://perma.cc/9UJK-DLYQ>] (**Ex. 30**).

²⁴ *See* Coupang, Form 8-K/A, Exhibit 99.1 (Dec. 29, 2025), <https://ir.aboutcoupang.com/financials/sec-filings/sec-filings-details/default.aspx?FilingId=19025871> (**Ex. 01**).

from only approximately 3,000 accounts.²⁵ The investigation concluded that the information accessed was limited to names, email addresses, phone numbers, shipping addresses, certain order histories, and building codes to shared spaces where packages could be delivered, and did not include any financial information such as credit card data, Government-issued identification numbers, login credentials, or home entry codes.²⁶ There is currently no evidence that any of the stolen data was sold, transferred, or shared.²⁷ The threat actor never made any blackmail or similar threats, and has repeatedly stated that the data never left his control.

Petitioners understand that Coupang worked closely with the Korean Government during its investigation. Coupang reportedly maintained a frequently used and open line of communication with NIS regarding the breach, and closely coordinated with the NIS on its own investigation and efforts to retrieve the stolen data.²⁸ Acting under NIS instructions, Coupang's legal team contacted the former employee, secured his cooperation, and obtained the relevant devices relating to the data breach—all by December 16, 2025.²⁹ In short, due to the close collaboration between Coupang and Korean Government officials, the breach was neutralized in less than one month from Coupang's initial discovery. During this time, the NIS requested that Coupang keep the operation confidential, which Coupang did, all while the Government falsely accused Coupang of failing to seriously address the breach.³⁰ Notwithstanding this cooperation

²⁵ *Id.* at Item 1.05 (Dec. 29, 2025).

²⁶ *Id.* at Exhibit 99.1.

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

and containment success, senior officials later publicly disclaimed or contradicted core aspects of the containment effort, further fueling a false narrative.

2. The Korean Government's Response

The response to what was objectively a limited data breach has been entirely disproportionate and unjust. Despite government knowledge of the facts of the breach, in early December, President Lee stated that companies violating data security rules should be hit with fines “so severe that they go out of business” and, in a clear reference to Coupang, asked, “Aren’t there some 34 million victims?”³¹ In other words, even though there was no evidence that any of the customers affected by the data breach were financially harmed and the breach seems to have been fully contained, President Lee rushed to publicly threaten Coupang’s existence. Senior officials also publicly overstated the incident by repeatedly characterizing it as involving tens of millions of “victims” and by implying the compromise of data categories that were not in fact accessed or retained. One official, the Chairperson of the National Policy Committee, went so far as to claim, “[i]t is no exaggeration to say that the personal data of all South Koreans except those under 14 years old have been leaked.”³² But this does appear to have been an exaggeration—and a massive one, by more than four orders of magnitude.

Korean Government agencies quickly fell in line. Despite Coupang’s prompt and transparent response, and its close coordination with the NIS, the Korean Government used the

³¹ Lee Jae Myung, *First-Ever Real-Time Work Report | Ministry of Science and ICT, etc.* (사상 최초, 실시간으로 만나는 업무보고 | 과학기술정보통신부 등), YouTube, at 1:38 (Dec. 11, 2025), <https://www.youtube.com/live/WjV9Mq-nKxE?t=5913s>.

³² Lee Mi-ji, *Coupang Founder Indictment Petition Over 33.7M Data Leak*, The Chosun Daily (Dec. 3, 2025), <https://www.chosun.com/english/industry-en/2025/12/03/UV7EKGVWS5HMFMI4TIXGVOGYX4/> [<https://perma.cc/UB2Y-L6RL>] (Ex. 31).

incident as a pretext to accelerate its attacks against Coupang. In the middle of Coupang’s ongoing cooperation with the NIS, Korean officials leaked news of the breach to the media and launched an aggressive series of overlapping investigations that bore no reasonable relationship to the actual scope of the data breach, including the following:

- On December 9, 2025, the Seoul Metropolitan Police Agency’s (“SMPA”) Cyber Investigation Division deployed 17 officers to undertake an eight-day search-and-seizure operation at Coupang’s Seoul headquarters.³³
- On December 11, 2025, President Lee advocated for the creation of a class action system in Korea, so that “when [companies] harm the public, penalties [are] strong enough to make companies fear they could collapse.”³⁴ President Lee also began publicly attacking Coupang outside the context of the data breach, alleging that special regulations were necessary for Coupang because of how badly they overworked their employees, claiming that “[s]ome argue we should ban this . . . Coupang’s employment structure . . . seems like a new form of labor requiring new regulatory approaches.”³⁵
- On December 18, 2025, despite ongoing cooperation with Korean authorities, the Korean Government announced the creation of an inter-ministerial task force focused on the data breach. The agencies involved include the National Police Agency; the PIPC; the Financial Services Commission, a financial regulator that chiefly supervises banks and would not typically participate in an investigation involving neither financial information nor financial institutions; the Korea Media and Communications Commission which, as its name implies, regulates media rather than retail companies; and the NIS.³⁶ The formation of overlapping, multi-agency task forces—paired with

³³ Kukmin Ilbo, *Police Raid Coupang Over “Personal Information Leak” ... Plan to Identify Leaker and Pathway* (Dec. 9, 2025), <https://www.kmib.co.kr/article/view.asp?arcid=0029088058&code=61121111&cp=nv> [<https://perma.cc/92TY-JYS2>] (Ex. 32).

Petitioners understand that the investigation was launched under the Personal Information Protection Act. *See* Personal Information Protection Act (Act No. 19234, Mar. 14, 2023) (Ex. 18); Enforcement Decree of the Personal Information Protection Act (Presidential Decree No. 35343, Feb. 25, 2025) (Ex. 19).

³⁴ Dong-A Ilbo, *Lee Calls for Tougher Fines After Coupang Data Leak* (Dec. 13, 2025), <https://www.donga.com/en/article/all/20251213/6009706/1> [<https://perma.cc/3L73-4B67>] (Ex. 33).

³⁵ Han Jae-joon & Kim Ji-hyun, *“My Sister Also Died In the Bathroom at Dawn”... President Lee Targets Coupang Over Overwork Deaths*, News 1 Korea (Dec. 11, 2025), <https://www.news1.kr/politics/president/6005974> [<https://perma.cc/F8Z2-WET2>] (Ex. 34).

³⁶ Kim Kang-han, *Government Forms Cross-Ministerial Task Force to Address Coupang Hacking*, The Chosun Daily (Dec. 18, 2025), <https://www.chosun.com/english/industry-en/2025/12/18/V5K7U3BHGJB2LPWY46SAQN5GOY/> [<https://perma.cc/SD9W-8ESQ>] (Ex. 35).

parallel raids and inspections—reflected an extraordinary mobilization against a single company that far exceeds any rational response to the incident’s facts.

- On December 19, 2025, Prime Minister Kim Min-seok urged Government regulators to approach enforcement against Coupang for the data breach “with the same determination used to wipe out mafias.”³⁷
- On January 21, 2026, PIPC Chairman Song Kyung Hee misrepresented the scope of the data breach, claiming it was “certain” that “the personal information of more than 30 million Coupang members was leaked, and if we add nonmember information (such as delivery addresses and phone numbers of nonmembers like family members entered by subscribers), the scale is likely to grow further.”³⁸

This was the tip of the iceberg. Korea weaponized its entire state apparatus to apply overwhelming pressure on Coupang through unfounded investigations, threats, and sweeping sanctions, representing a public effort to destroy Coupang’s reputation, disrupt its business operations, and ultimately attempt to remove a successful U.S. technology company from the Korean market. These pretextual actions launched one after the other occurred throughout December, and have continued to the present day:

- On December 8, 2025, just nine days after Coupang publicly disclosed the data breach, the KFTC began investigating whether Coupang’s membership cancellation process for certain of its services violates the Electronic Commerce Act (the “ECA”) as a “dark” or deceptive practice.³⁹ The KFTC informed Coupang that it was required to submit

³⁷ MBC News, *Coupang, Which has Sparked Nationwide Outrage, Was Mentioned Again by President Lee Jae-myung During his Public Work Report*, YouTube, at 1:22–1:40; 2:11–2:26, <https://www.youtube.com/watch?app=desktop&v=MRC5peuNy90&t=180s>.

³⁸ Lee Jae-eun, *Korea privacy chief vows to fight SK Telecom suit and intensify Coupang probe*, Chosun Biz (Jan. 21, 2026), <https://biz.chosun.com/en/en-it/2026/01/21/STSOAI6FFZDBPFOMB75GP47AR4/> [<https://perma.cc/UJ86-FMAM>] (Ex. 36).

³⁹ Moon Chaeseok, *Fair Trade Commission Investigates Legality of Coupang’s Complicated Withdrawal Process... “Correction First, Sanctions Later,”* Asian Business Daily (Dec. 8, 2025), <https://cm.asiae.co.kr/en/article/2025120821143583305> [<https://perma.cc/ACD9-4D9Z>] (Ex. 37).

Petitioners understand that this request was made pursuant to the Act on Consumer Protection in Electronic Commerce and the Act on the Regulation of Terms and Conditions. *See* Act on Consumer Protection in Electronic Commerce (Act No. 20534, Dec. 3, 2024) (Ex. 38); Enforcement Decree of the Act on the Consumer Protection in Electronic Commerce (Presidential Decree No. 35257, Feb. 11, 2025) (Ex. 39); Act on the Regulation of Terms and Conditions (Act No. 20240, Feb. 6, 2024) (Ex. 40); Enforcement Decrees of the Act on the Regulation of Terms and Conditions (Presidential Decree No. 29295, Nov. 20, 2018) (Ex. 41).

measures to change its cancellation process before the KFTC had even determined that the company violated the ECA.⁴⁰ The KFTC is also closely reviewing the terms and conditions that govern all of Coupang's services for other possible violations.⁴¹

- On December 10, 2025, the KFTC conducted on-site work at Coupang's corporate headquarters in Seoul in furtherance of the investigations into Coupang's membership cancellation process and terms of service.⁴²
- On December 22, 2025, the National Tax Service ("NTS") organized a 150-member *ad hoc* tax audit task force to target Coupang's operations,⁴³ even though tax information had nothing to do with the data breach, and the NTS had given Coupang a clean audit the prior year.⁴⁴ By way of comparison, in 2025, the NTS created special task forces to uncover high-value tax delinquencies related to nearly \$75 billion in unpaid taxes.⁴⁵ Those task forces totaled only 56 members.⁴⁶ The scope and staffing of this Coupang-specific deployment underscores the retaliatory character of the audit.

⁴⁰ Moon Chaeseok, *Fair Trade Commission Investigates Legality of Coupang's Complicated Withdrawal Process... "Correction First, Sanctions Later,"* Asian Business Daily (Dec. 8, 2025), <https://cm.asiae.co.kr/en/article/2025120821143583305> [<https://perma.cc/ACD9-4D9Z>] (Ex. 37).

⁴¹ *Id.*

⁴² Kim Seung-hyeon, *Korea Fair Trade Commission Probes Coupang's Cancellation Process, Exemption Clauses,* The Chosun Daily (Dec. 10, 2025), <https://www.chosun.com/english/market-money-en/2025/12/10/OKQXT2TV4FFQZIQWEITAYASJUY/> [<https://perma.cc/UHY6-NJS9>] (Ex. 42).

Petitioners understand that these inspections occurred pursuant to the MRFTA, Customs Act, and the Act on the Regulation of Terms and Conditions. See Monopoly Regulation and Fair Trade Act (Act No. 20711, Jan. 21, 2025) (Ex. 27); Enforcement Decree of the Monopoly Regulation and Fair Trade Act (Presidential Decree No. 35382, Mar. 12, 2025) (Ex. 28); Customs Act (Act No. 19228, Mar. 4, 2023) (Ex. 43); Act on the Regulation of Terms and Conditions (Act No. 20240, Feb. 6, 2024) (Ex. 40); Enforcement Decree of the Act on the Regulation of Terms and Conditions (Presidential Decree No. 29295, Nov. 20, 2018) (Ex. 41).

⁴³ Framework Act on National Taxes (Act No. 19926, Dec. 31, 2023) (Ex. 44).

⁴⁴ Chosun Ilbo, *Coupang's U.S. Headquarters Transactions Also Under Scrutiny... National Tax Service Launches Comprehensive Tax Investigation* (Dec. 22, 2025), https://www.chosun.com/economy/economy_general/2025/12/22/KNFFX2I7IBDM7J77MDO5ADWUOA/?utm_source=naver&utm_medium=referral&utm_campaign=naver-news [<https://perma.cc/TY5G-GPFA>] (Ex. 45).

⁴⁵ PwC, *Korean Tax Update Samil Commentary* (Nov. 14, 2025), https://www.pwc.com/kr/ko/insights/samil-commentary/samilcommentary_nov2025_en.pdf [<https://perma.cc/CC59-6E5N>] (Ex. 46).

⁴⁶ *Id.*

- On December 29, 2025, the Korea Customs Service launched an on-site investigation of Coupang’s Seoul headquarters related to foreign exchange transactions at Coupang’s U.S. headquarters.⁴⁷
- During hearings before the National Assembly on December 30 and 31, 2025, at which Coupang’s interim CEO appeared, lawmakers suggested that Coupang should face “severe[] sanction[s],”⁴⁸ while another called for the National Pension Service to fully divest its approximately \$150 million in Coupang holdings.⁴⁹ Meanwhile, multiple lawmakers voted to refer Coupang’s executives for criminal prosecution, and the National Assembly threatened to indict Coupang’s interim CEO for perjury.⁵⁰ These actions included criminal referrals tied to testimony and nonappearance, calls to “kick out” senior executives, and demands for travel bans—measures aimed at coercing individuals and deterring U.S.-based management from operating in Korea.
- On January 2, 2026, the SMPA expanded its role, forming an 86-person task force of its own centered on Coupang.⁵¹ In the recent past, the SMPA had formed far smaller special task forces to address critical national issues—rather than an individually named company—like stock price manipulation (37 to 50 members); widespread

⁴⁷ Jang Sang-min, *Customs Service Launches On-Site Inspection of Coupang Headquarters... Scrutinizes Foreign Exchange Transactions at U.S. Headquarters*, Munhwa (Dec. 29, 2025), <https://www.munhwa.com/article/11557323?ref=naver> [<https://perma.cc/XFK5-464G>] (Ex. 47).

⁴⁸ Cheonji Ilbo, *Seo Young-kyo: “Coupang’s Personal Information Leakage Must Be Severely Sanctioned and Punished,”* (Nov. 30, 2025), <https://www.newscj.com/news/articleView.html?idxno=3346222&utm> [<https://perma.cc/2KA5-55FP>] (Ex. 48); Yoo Seung-ho, *Seo Young-kyo: “Coupang’s Personal Information Leak Demands Severe Sanctions and Punishment,”* E Today (Nov. 30, 2025), <https://www.etoday.co.kr/news/view/2531036> [<https://perma.cc/JY6C-E655>] (Ex. 49).

⁴⁹ Park So-jeong, *National Pension Service reviews Coupang exclusion after 218.1 billion won investment*, Chosun Biz (Dec. 31, 2025), <https://biz.chosun.com/en/en-policy/2025/12/31/M4TPO3B6VVG4HDBXTGEQ5WPFUQ/> [<https://perma.cc/4YRW-M4DE>] (Ex. 50).

⁵⁰ Ryu Jeong-hwa, *National Assembly Oversight Committee files charges against 7 individuals including Coupang’s Kim Beom-seok and Rogers... “Suspects of failure to appear and perjury,”* JTBC (Jan. 1, 2026), <https://news.jtbc.co.kr/article/NB12277951> [<https://perma.cc/9T76-PXN2>] (Ex. 51); Choi Hyun-joo, *National Assembly Files Charges Against Coupang’s Kim Beom-seok, Rogers, and 5 Others for Failure to Appear and Perjury*, JoongAng Ilbo (Dec. 31, 2025), <https://www.joongang.co.kr/article/25394306> [<https://perma.cc/DGJ7-JMN8>] (Ex. 52); Jang Bokyeong, *Science and ICT Committee to File Charges Against Seven Including Coupang’s Bom Kim and Rogers for Violating National Assembly Testimony Act*, Asia Business Daily (Dec. 31, 2025), <https://cm.asiae.co.kr/en/article/2025123121413593496#:~:text=Four%20Including%20Harold%20Rogers%20Face,Assembly%20Testimony%20and%20Appraisal%20Act> [<https://perma.cc/CL87-4DVM>] (Ex. 53).

⁵¹ Park Go-eun, *Police Launch 86-Member Coupang Task Force...Investigating All Issues Including Personal Data Leaks and Industrial Accident Cover-Ups*, Hani (Jan. 2, 2026), https://www.hani.co.kr/arti/society/society_general/1237729.html [<https://perma.cc/SM6S-TT2P>] (Ex. 54).

kidnapping, detention, and torture by criminal organizations operating in Cambodia (44 members); and cryptocurrency fraud involving millions of dollars (30 members).⁵²

- On January 5, 2026, Lee Chan-jin, Governor of the FSS, “warned of a rigorous investigation” into Coupang’s interest rates on merchant loans, accusing Coupang of “excessive profit” and “bullying,” even though those rates are within legal limits.⁵³
- On January 6, 2026, the Ministry of Land, Infrastructure and Transport (“MOLIT”) withheld approval for a planned real estate investment in logistics centers that was on track to be approved and was unrelated to the breach.⁵⁴ Acknowledging the unusual nature of MOLIT’s obstruction, the Director of the Investment Policy Division stated, “We are examining the matter in detail, not considering the typical processing time for business permits.”⁵⁵
- On January 6, 2026, the Government created another task force focused on Coupang, this time at MOEL, the labor ministry, to investigate the company using “all possible

⁵² KBS World, *Gov’t Set to Expand Response Team to Stop Stock Manipulation* (Dec. 31, 2025), https://world.kbs.co.kr/service/news_view.htm?lang=e&Seq_Code=198515 [<https://perma.cc/5SZX-BDFP>] (Ex. 55); Byun Seonjin, *Commissioner Park Jeongbo of Seoul Police: “Dedicated Task Force Launched to Investigate Overseas Kidnappings and Detentions”*, Asian Business Daily (Oct. 20, 2025) <https://www.asiae.co.kr/en/article/2025102011471033770> [<https://perma.cc/H7SS-DCCM>] (Ex. 56); Kim & Chang, *Establishment of Joint Investigation Unit to Counter Virtual Asset Crimes* (Sept. 27, 2023), https://www.kimchang.com/en/insights/detail.kc?sch_section=4&idx=28044 [<https://perma.cc/H7KP-UAUG>] (Ex. 57).

⁵³ Park Joon-woo, *Payday Loan Levels... Coupang’s “8.9% Annual Interest” High-Interest Loan Controversy*, JTBC News (Jan. 5, 2026), <https://news.jtbc.co.kr/article/NB12278496> [<https://perma.cc/FB6Q-7KK8>] (Ex. 58).

⁵⁴ Chosun Ilbo, *Ministry of Land, Infrastructure and Transport Puts Brakes on Coupang’s Plan to Raise 1 trillion Won by Selling Logistics Centers* (Jan. 1, 2026), https://www.chosun.com/economy/market_trend/2026/01/06/UAW2CK3GYRDDZPI5ARSY5KSWZY/?utm_source=naver&utm_medium=referral&utm_campaign=naver-news [<https://perma.cc/38GE-JZ4E>] (Ex. 59).

⁵⁵ *Id.*

Petitioners understand that this action was taken pursuant to the Occupational Safety and Health Act (Act No. 20522, Oct. 22, 2024) (Ex. 60); see also Enforcement Decree of the Occupational Safety and Health Act (Presidential Decree No. 35597, June. 20, 2025) (Ex. 61).

means.”⁵⁶ It further promised that any violations would be met with “strict measures.”⁵⁷

- On January 13, 2026, the KFTC’s Enterprise Group Bureau, Market Surveillance Bureau, and Distribution Agency Bureau dispatched 20 investigators to Coupang’s corporate headquarters.⁵⁸ By the next day, the KFTC was planning an “unprecedented” two-week on-site investigation of Coupang, deploying a large number of investigators.⁵⁹
- On January 16, 2026, MOEL announced that it would deploy 17 labor inspectors to conduct “an intensive investigation into allegations including illegal dispatch, the creation and management of a blacklist, and operation of a low-performer exit program” at Coupang.⁶⁰

None of these actions was focused on the data breach incident itself. Instead, answering a rallying cry from the President, over a dozen agencies launched investigations and raids targeting Coupang, and interfered with routine transactions and business operations. At the same time, Korea escalated pressure against Coupang’s leadership through criminal referrals, threatened

⁵⁶ Choi Seo-eun, *Ministry of Labor Forms Coupang Labor and Industrial Safety Task Force... “Mobilizing All Possible Means for Comprehensive Investigation”*, KyungHyang (Jan. 6, 2026), <https://www.khan.co.kr/article/202601061935001#ENT> [<https://perma.cc/M6AW-RM6W>] (Ex. 62).

Petitioners understand that this action was taken pursuant to the Occupational Safety and Health Act (Act No. 20522, Oct. 22, 2024) (Ex. 60); see also Enforcement Decree of the Occupational Safety and Health Act (Presidential Decree No. 35597, June. 20, 2025) (Ex. 61).

⁵⁷ Choi Seo-eun, *Ministry of Labor Forms Coupang Labor and Industrial Safety Task Force... “Mobilizing All Possible Means for Comprehensive Investigation”*, KyungHyang (Jan. 6, 2026), <https://www.khan.co.kr/article/202601061935001#ENT> [<https://perma.cc/M6AW-RM6W>] (Ex. 62).

⁵⁸ Kim Seung-hyeon, *Fair Trade Commission Probes Coupang Chairman’s Control Designation* (Jan. 13, 2026), <https://www.chosun.com/english/market-money-en/2026/01/13/RZ6ZTJYKXFBC3JSAR2LY5K3P7E/> [<https://perma.cc/W5XL-QDLX>] (Ex. 63).

⁵⁹ Naver, *FTC Deploys Massive Workforce for Two-Week On-Site Inspection of Coupang... “Unprecedented Duration and Scale”* (Jan. 14, 2026), <https://n.news.naver.com/mnews/article/449/0000332281?sid=101> [<https://perma.cc/HPP8-MARP>] (Ex. 64).

⁶⁰ Kim Nam-hee, *Ministry of Employment and Labor Launches Labor Inspection Into Coupang Blacklist and Illegal Dispatch Allegations*, KyungHyang (Jan. 16, 2026), <https://www.khan.co.kr/en/article/202601161541187> [<https://perma.cc/WK8U-EZMA>] (Ex. 65); Park So-jeong, *Labor Ministry Launches Inspection Into Coupang Over Alleged Labor Violations*, Chosun Biz (Jan. 16, 2026), <https://biz.chosun.com/en/en-policy/2026/01/16/DLS6VCRFGFEIBI5JFAB527NBDA/> [<https://perma.cc/QD28-5DNK>] (Ex. 66); Lee Dongwoo, *Ministry of Labor Launches Labor Inspection Into Coupang Over Allegations of Illegal Dispatch and Blacklists*, Asia Business Daily (Jan. 16, 2026), <https://cm.asiae.co.kr/en/article/2026011614513082832> [<https://perma.cc/KE5Q-JAZ8>] (Ex. 67).

indictments, and travel-ban advocacy—coercive tactics particularly chilling for U.S. nationals and U.S.-headquartered firms.

The animus senior Korean Government officials publicly displayed towards Coupang, combined with the unreasonable and disproportionate response to Coupang’s limited data breach, is an appropriate basis on which to act under Section 301. Section 301 defines “discriminatory” to “include . . . any act, policy, and practice which denies national or most-favored nation treatment to United States goods, service, or investment.”⁶¹ “[U]nreasonable” refers to an act, policy, or practice that “while not necessarily in violation of, or inconsistent with, the international legal rights of the United States is otherwise unfair and inequitable.”⁶² Simply put, despite Coupang’s response and resolution of a limited data breach incident in close coordination with government officials, the Korean Government has taken concerted and extraordinary steps to impair the company’s operations and attack every aspect of its business. Further, no Korean company dealing with a data breach incident has faced a similar whole-of-government response.

In sum, over the past six weeks, in response to a limited data breach involving 3,000 customer accounts, the Government has marshalled against Coupang the resources of over a dozen different agencies; four separate task forces and teams; scores of investigations, inspections, and raids, most of which have nothing to do with the breach; and numerous Government officials, including officials at the highest levels, have advocated for aggressive and unjustified actions

⁶¹ 19 U.S.C. § 2411(d)(5).

⁶² 19 U.S.C. § 2411(d)(3)(A).

against Coupang. These types of efforts threaten to cripple Coupang's business and erode its customer base, as users move to Korean competitors.⁶³

The goal of the Korean Government's campaign is clear: to halt Coupang's operations in Korea. Its onslaught of investigations, raids, and inspections have forced Coupang to expend tremendous resources responding to each of them, draining the company of time, energy, and money that would have been much better spent running its business and serving its Korean companies. Approximately 400 Government investigators have been deployed against the company.⁶⁴ They have already conducted at least 150 face-to-face meetings and 200 interviews, and made over 1,100 document and other information requests.⁶⁵ The sheer number of Government officials stationed at Coupang's headquarters and their continuous demands have been paralyzing. Coupang employees have complained that "there are no remaining conference rooms," they have been "creating various materials" for the Government "for over a month," and they "can't work" because they are "responding to face-to-face interview requests."⁶⁶

This whole-of-government onslaught went well beyond any reasonable response to a data breach. Coupang issued a public statement on December 25, 2025, summarizing the results of its investigation. It noted that the threat customer records stored information from only about 3,000 accounts, and this user data was "subsequently deleted" and "never transferred any of the data to

⁶³ Korea Bizwire, *Coupang Data Breach Triggers Shift in Korea's E-Commerce Landscape*, The Korea Bizwire (Jan. 21, 2026), <http://koreabizwire.com/coupang-data-breach-triggers-shift-in-koreas-e-commerce-landscape/342492> [<https://perma.cc/4APR-8NGH>] (Ex. 02).

⁶⁴ Jasmine Choi, *Coupang CEO Rogers, "Professionalism and cooperation for investigation by 400 officials from 11 agencies"*, Business Korea (Jan. 21, 2026), <https://www.businesskorea.co.kr/news/articleView.html?idxno=261405> [<https://perma.cc/N5JY-TQUW>] (Ex. 68).

⁶⁵ *Id.*

⁶⁶ *Id.*

others.”⁶⁷ Coupang further noted that “[a]ll devices and hard drives the perpetrator used to leak Coupang user data have been retrieved and secured following verified procedures,” and “Coupang has also been cooperating fully with all relevant ongoing government investigations.”⁶⁸ Later in December 2025, Coupang reported the results of its joint investigation with the NIS to Government authorities and provided an update to potentially affected customers. The Korean Government has disregarded those facts, however, as it launched investigation after investigation, raid after raid, and inspection after inspection into seemingly every aspect of Coupang’s operations.

3. Disparate Handling of Data Breaches

The intensity of the Korean Government’s response is wholly disconnected from the reality of the situation, and it is completely disproportionate to how the Government has reacted to data incidents at Korean companies and non-U.S. foreign companies, including Chinese businesses. Indeed, Korea’s responses to prior data breaches shows how extreme, punitive, and disproportionate its response to Coupang’s data breach has been. When multiple Korean-owned companies and other foreign companies experienced cybersecurity breaches that were orders of magnitude greater in scope, none faced punishment on par with Korea’s response to the Coupang data breach.

One illustrative case is the discovery in 2024 of a data breach by Kakao Pay, a Korean mobile payment service provider. Kakao Pay’s parent Kakao is a Korean competitor of Coupang. While this was a case of data transfer rather than data breach, the scope was massive. Over more than six years, Kakao Pay had deliberately transferred 54 billion personal data records of over 40

⁶⁷ Coupang, *Coupang Has Identified the Leaker and Confirmed that All Devices Used in the Customer Information Leak Have Been Recovered* (Dec. 25, 2025), <https://news.coupang.com/archives/58892/> [<https://perma.cc/MP79-YXYP>] (Ex. 69).

⁶⁸ *Id.*

million Korean users to Alipay Singapore, contrary to Korean law.⁶⁹ Transferred records included sensitive financial information such as phone numbers, account balances, transaction histories, and credit information. Alipay Singapore is owned by Ant Group, a Chinese affiliate of the Chinese conglomerate Alibaba Group Holding (“Alibaba”). This was not an accidental transfer; it was a deliberate, corporate policy. Yet rather than facing sweeping investigations, public threats, or huge fines, Kakao Pay received approximately \$15 million in combined fines, and its CEO received only a “formal warning” that led to neither his dismissal nor criminal prosecution.⁷⁰

Another example that underscores the discriminatory treatment Coupang faces as a U.S. company involves SK Telecom (“SKT”), Korea’s largest wireless carrier. In April 2025, SKT experienced a massive cyberattack involving SIM card data from 23 to 27 million customers—the company’s entire user base.⁷¹ This represents a breach of the data of more than 7,000 times the number of customers whose data was downloaded in the Coupang incident. And yet, the Korean Government imposed a fine against SKT of \$91 million, more than eight times smaller than the

⁶⁹ Kim Min-Young, *Kakao Pay Under Investigation for Allegedly Leaking 54 Billion Personal Data Entries to China’s Alipay*, Korea JoongAng Daily (Sept. 5, 2024), <https://koreajoongangdaily.joins.com/news/2024-09-05/national/socialAffairs/Kakao-Pay-under-investigation-for-allegedly-leaking-54-billion-personal-data-entries-to-Chinas-Alipay/2128287> [<https://perma.cc/HMQ6-8J98>] (Ex. 70).

⁷⁰ Yun Ye-won, *Kakao Pay and Apple Fined 8.3 Billion Won for Sharing User Data Without Consent*, ChosunBiz (Jan. 23, 2025), <https://biz.chosun.com/en/en-it/2025/01/23/DW5GK2KIVBDQXHUOYIDEOYE6HA/> [<https://perma.cc/8TSF-GKC8>] (Ex. 71); Park Boram, *Kakao Fined Record 15.1 Bln Won for Leak of Open Chat Users’ Personal Data*, Yonhap News Agency (May 23, 2024), <https://en.yna.co.kr/view/AEN20240523004900315> [<https://perma.cc/L88P-4TUX>] (Ex. 72).

⁷¹ See, e.g., KBS World, *SK Telecom Files Administrative Suit Challenging Record Fines Over Data Breach* (Jan. 19, 2026), https://world.kbs.co.kr/service/news_view.htm?lang=e&Seq_Code=198937 [<https://perma.cc/9QTD-ZAFM>] (Ex. 73); Reuters, *South Korea Agency Fines SK Telecom \$97 million Over Major Data Leak* (Aug. 28, 2025), <https://www.reuters.com/sustainability/boards-policy-regulation/south-korea-agency-fines-sk-telecom-97-million-over-major-data-leak-2025-08-28/> (Ex. 74).

fine President Lee hoped to impose on Coupang.⁷² Nor does SKT appear to have faced a whole-of-government effort to disrupt its business, criminal referrals of its executives, or calls from leading politicians for its collapse and bankruptcy.

The Upbit Crypto data security breach, also in November 2025, provides another stark contrast to Korea's response to a data breach by a U.S. company. Upbit is Korea's largest crypto exchange and was acquired by Naver (an internet portal akin to Google in the United States that also includes an e-commerce platform that competes with Coupang) in September 2025.⁷³ In a hack attributed to North Korea's Lazarus Group, hackers stole over \$30 million in victims' crypto assets from Upbit through unauthorized withdrawals, and the hack potentially exposed user data.⁷⁴ In response, the police issued a formal probe, the FSS issued warnings for "serious" security failures, the Korean Government began investigating Upbit reporting delays, and the National Assembly considered legislation to strengthen regulations of crypto exchanges.⁷⁵ Critically, however, the response stopped there. Unlike Coupang, Upbit has not faced a whole-of-government mobilization resulting in investigations, threats from government officials to put the company out of business, or criminal allegations against senior executives.

⁷² See, e.g., KBS World, *SK Telecom Files Administrative Suit Challenging Record Fines Over Data Breach* (Jan. 19, 2026), https://world.kbs.co.kr/service/news_view.htm?lang=e&Seq_Code=198937 [<https://perma.cc/9QTD-ZAFM>] (Ex. 73).

⁷³ Reuters, *Naver's Payment Arm to Acquire South Korean Crypto Exchange Operator in \$10 bln Deal* (Nov. 27, 2025), <https://www.reuters.com/world/asia-pacific/navers-payment-arm-acquire-south-korean-crypto-exchange-operator-10-bln-deal-2025-11-27/> (Ex. 74).

⁷⁴ Omkar Godbole, AI Boost, *South Korea Suspects North Korea-Linked Lazarus Behind \$36M Upbit Hack*, Coin Desk (Nov. 28, 2025), <https://www.coindesk.com/markets/2025/11/28/south-korea-suspects-north-korea-linked-lazarus-behind-usd36m-upbit-hack> (Ex. 76).

⁷⁵ Im Eun-byel, *FSS Chief Puts Upbit on Notice Over 'Serious' Security Failures*, The Korea Herald (Dec. 1, 2025), <https://www.koreaherald.com/article/10627202> [<https://perma.cc/HND4-FPT2>] (Ex. 77).

Finally, just this past week, it was belatedly revealed that the Chinese e-commerce platform AliExpress, another subsidiary of Alibaba, suffered a hack in October 2025 involving highly sensitive information that resulted in the theft of approximately \$6 million.⁷⁶ AliExpress conducted an internal investigation, but reportedly submitted false statements to Government officials.⁷⁷ And yet, the Government response seems to have been limited to the tepid request that AliExpress “prevent recurrence” of these types of hacks in the future.⁷⁸

This stark disparity between Korea’s response to Coupang and its treatment of data incidents at Kakao Pay, Upbit, SK Telecom, and AliExpress underscores the Korean Government’s discriminatory targeting of a successful U.S. technology company. Coupang, a U.S.-owned company, has been singled out for punitive treatment—indeed, for it to “collapse”⁷⁹ or be “wipe[d] out”⁸⁰—wholly inconsistent with Korea’s treatment of more-serious data incidents involving Korean-owned or Chinese-owned companies.

The facts and government statements speak for themselves. The Korean Government’s continued escalation against Coupang shows that Coupang is not facing isolated enforcement

⁷⁶ Lee Joo-bin, *AliExpress “Seller Account” Hacked, 8.6 Billion Won Stolen... “Police Report” Was a Lie Too*, Hani (Jan. 19, 2026), https://www.hani.co.kr/arti/economy/economy_general/1240535.html [<https://perma.cc/G93T-57WU>] (Ex. 78).

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ Kim Tae-jun, *Exclusive: Presidential Office Prohibits Staff From Contacting Coupang*, The Chosun Daily (last updated Dec. 25, 2025), <https://www.chosun.com/english/national-en/2025/12/25/RRXZA7V2EJBGZJHRZBZO7N7BL4/> [<https://perma.cc/NY3C-5BKF>] (Ex. 03); The Dong-A Ilbo, *Lee calls for tougher fines after Coupang data leak* (Dec. 13, 2025), <https://www.donga.com/en/article/all/20251213/6009706/1> [<https://perma.cc/3L73-4B67>] (Ex. 33).

⁸⁰ MBC News, *Coupang, which has sparked nationwide outrage, was mentioned again by President Lee Jae-myung during his public work report*, YouTube, at 1:22–1:40; 2:11–2:26, <https://www.youtube.com/watch?app=desktop&v=MRC5peuNy90&t=180s>.

actions, but a coordinated campaign of state pressure that continues to grow in scope, severity, and coercive effect. Korean lawmakers appear to recognize the trade implications of their discriminatory conduct, but at the same time believe they will not be sanctioned. As one Korean lawmaker suggested, “U.S. authorities, such as the U.S. Trade Representative, have not issued any official messages on Coupang, so Korea does not have to care much for any possible trade risk with the U.S. due to the latest incident.”⁸¹ That should change.

IV. REQUESTED COUNTERMEASURES

To address Korea’s unreasonable and discriminatory acts against Coupang, which burden and restrict U.S. commerce, Petitioners request (1) the imposition of tariffs on certain Korean goods entering the United States as well as the imposition of licensing and/or other restrictions on Korean services in the United States; (2) negotiation of more-detailed protections and nondiscriminatory-treatment provisions to prevent the Korean Government from abusing its investigatory and enforcement authority to target U.S. firms unreasonably, building on the important commitments set out in the 2025 U.S.-Korea Trade Framework Agreement or as part of a separate agreement; and (3) any additional remedy USTR deems appropriate under the circumstances. In combination, these remedies will incentivize the Korean Government to eliminate the acts, policies, and practices documented in this petition and to ensure a level playing field for not only Coupang but also all U.S. companies and investors operating in Korea.

⁸¹ Lee Min-hyung, *Coupang’s US Lobby Can’t Block Korean Sanctions: Lawmaker*, The Korea Times (Dec. 30, 2025), <https://www.koreatimes.co.kr/business/companies/20251231/coupangs-us-lobby-cant-prevent-korean-sanctions-lawmaker> [<https://perma.cc/A8R6-RNDG>] (Ex. 79).

A. Tariffs on Korean Goods Entering the United States and Restrictions on Korean Services

Under Section 301(c)(1)(B), USTR is authorized to impose tariffs and restrictions on services without regard to whether the goods were involved in the act, policy, or practice that is the subject of the action.⁸² The Trump Administration has had significant success in using tariffs as a policy tool to address unfair and discriminatory practices by other countries, leading to a record decrease in the U.S. trade deficit, and to increasingly fair terms of trade and commercial opportunities for U.S. companies operating abroad. And the Administration recently warned the Korean Government of a potential Section 301 investigation if it engaged in further discriminatory treatment of U.S. firms.⁸³ The commitments secured in the recent 2025 U.S.-Korea Trade Framework Agreement reflects the effective use of this approach. As the recent whole-of-government attack on Coupang shows, however, additional action is required to ensure a level playing field for U.S. companies in Korea. USTR should therefore use its broad Section 301 authority to impose additional tariffs on Korean goods and restrictions on Korean services to incentivize the country to address the type of specific, ongoing discrimination and unreasonable treatment that U.S. companies, and Coupang in particular, continue to endure.

B. Detailed Protections and Nondiscriminatory-Treatment Commitments

Korean Government agencies have a history of selective and aggressive enforcement. And despite Korea's recent commitment under the U.S.-Korea Trade Framework Agreement "to ensure that U.S. companies are not discriminated against and do not face unnecessary barriers in terms of

⁸² 19 U.S.C. § 2411(c)(1)(B).

⁸³ Ari Hawkins, *Trump admin to S Korea: We'll launch trade investigation if you pursue digital regulations*, Politico Pro (Nov. 19, 2025), <https://subscriber.politicopro.com/article/2025/11/trump-admin-to-s-korea-well-launch-trade-investigation-if-you-pursue-digital-regulations-00658813> [<https://perma.cc/MQ8A-VZT9>] (Ex. 80).

laws and policies concerning digital services,” the Government’s unreasonable treatment of Coupang demonstrates that it flouts this broad commitment in favor of further discriminatory and unreasonable conduct aimed at U.S. interests. Attacking successful U.S. companies in this way constitutes a serious burden on U.S. commerce, as U.S. industry has to spend valuable resources defending itself against spurious charges, investigations, and punitive measures, rather than focusing on technological innovation, growth, and job creation.

USTR should continue its efforts to correct this market handicap by using its authority under Section 301(c) to secure further commitments from Korea regarding nondiscriminatory treatment and impartial administration of its laws, regulations, and investigations. Korea also should be required to guarantee due process in all enforcement proceedings by providing companies with notification of investigations, access to information that is necessary and relevant to any defense to the investigation, rights to legal counsel, and the opportunity to meaningfully contest allegations before an impartial adjudicator. Given Korea’s history of unfounded and discriminatory use of competition law and regulatory enforcement tools to constrain Coupang and other successful U.S. technology companies and unfairly protect domestic competitors, USTR should seek a detailed commitment to prohibit such abuse. Cloaking aggressive anti-competitive conduct by the Korean Government under the guise of competition law must come to an end once and for all.

V. PUBLIC HEARING AND OTHER FORMS OF RELIEF

Petitioners request that USTR hold a public hearing regarding this petition, consistent with 19 U.S.C. § 2412(a)(4). Petitioners have not filed and do not currently plan to file for other forms of relief under the Trade Act of 1974. Separately, Greenoaks and Altimeter intend to serve a notice

of intent to bring arbitration claims against the Korean Government for violations of the investment provisions of the U.S.-Korea Free Trade Agreement. Those claims are not the subject of this petition. Rather, Petitioners believe that a separate remedy under Section 301 remains necessary and appropriate to address the burdens on U.S. commerce resulting from Korea's unreasonable and discriminatory conduct against Coupang.

VI. CONCLUSION

The Korean Government's illegal actions toward Coupang have already had material economic consequences for Petitioners and other U.S. investors. Coupang's share price has declined as a direct result of the Korean Government's unjustified response to a limited data breach; equity analysts have issued downgrades; U.S. class actions and related proceedings have multiplied; and Coupang's domestic competitors have exploited the situation.

Coupang is currently facing a whole-of-government assault on its business in Korea, with the President of Korea making his desire to bankrupt the company well-known. The pattern of increasingly severe, unreasonable, and discriminatory treatment by the Korean government that has followed must be checked; aggressive government action to bankrupt a U.S. company and force it out of a foreign market should not be tolerated. Petitioners therefore request that USTR promptly initiate an investigation under Section 301 and adopt urgent countermeasures.

Respectfully submitted,

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Exhibit 29:
CPNG-HJC119-0001706
Information Technology & Innovation
Foundation (ITIF) Report



Korea's Proposed Fairness Act: Will It Discriminate Against American Firms?

By Joseph V. Coniglio

January 21, 2026

Following the lead of the European Union's (EU) Digital Markets Act (DMA) and the global **trend** toward similar platform rules, South Korea continues to actively consider enacting its own digital antitrust regulation. In particular, the so-called "**Fairness Act**" appears to be gaining traction in the National Assembly and would impose a broad set of restrictions and obligations on online platforms, many of which are American. At the same time, last year Korea and the United States **issued** a Fact Sheet affirming the historic Korea Strategic Trade and Investment Deal, whereby "the United States and Korea commit to ensure that U.S. companies are not discriminated against and do not face unnecessary barriers in terms of laws and policies concerning digital services, including network usage fees and online platform regulations."

Digital antitrust regulations, such as, the Fairness Act can discriminate against American companies in two ways. First, these regulations can reflect *de jure* discrimination against U.S. technology platforms by intentionally targeting them using the law itself. For example, the EU's DMA was designed to apply only to firms that satisfied high revenue thresholds, which disproportionately capture American, but not European, firms. As ITIF has previously **explained**:

*[O]ne of the clearest indicators of intent comes from Andreas Schwab, a Member of the European Parliament and rapporteur of the DMA, who expressly **stated** that the law should focus on "the top five" companies rather than include any European firm just to "appease the U.S." In fact, the European Parliament's Internal Market and Consumer Protection Committee (IMCO) **report**, which Schwab drafted, explicitly advocated for*



adjusting the DMA's thresholds in ways that kept U.S. firms within scope while exempting most EU competitors.

Earlier bills considered by the National Assembly followed the DMA's approach of limiting their application to firms that satisfied high revenue thresholds, which, as ITIF has **noted**, seemed "to unfairly target U.S. [as well as] South Korean companies such as Google, Apple, Kakao, Naver, and Baemin (based on excluding platforms with direct and indirect sales of less than KRW 3 trillion or ~\$2.16 billion)." By contrast, the proposed Fairness Act has much lower revenue thresholds and, as such, is likely to apply to a broad range of non-American and Korean firms, suggesting that it does not appear to discriminate against American firms *de jure*.

Distinct from *de jure* discrimination, the second way digital antitrust regulations can discriminate is *de facto*, which involves laws being enforced in a way that disproportionately harms American firms and thus evinces discriminatory intent even if the regulation itself is neutral on its face. And, as in any case where intent is implied from the circumstances, an analysis of past similar conduct is critical—here, an examination of past enforcement by the Korea Fair Trade Commission (KFTC), which will administer the Fairness Act. Indeed, not only do many of the antitrust provisions in the Fairness Act closely track those present in Korea's Monopoly Regulation and Fair Trade Act, but the Fairness Act also gives the KFTC the power to fine firms up to a whopping 10 percent of their global sales, thereby granting it the ability to extract massive penalties from American technology firms that compete globally.

Unfortunately, the facts present a rather clear picture of the KFTC engaging in *de facto* discrimination against American firms, particularly through large fines or other heavy burdens, including with respect to due process. To be sure, Korea has vigorously enforced its antitrust laws against many Korean and non-American companies. But, to some extent, this is precisely the point: While Korea enforces its competition regime broadly, American technology firms appear to pay disproportionately more in fines. For example, according to one **analysis** based on data provided to the National Assembly last year, whereas Hyundai, Hanssem, and SK Group recorded the highest number of antitrust violations from 2022 to the first half of 2025, Coupang, an American-headquartered firm, paid the most in fines during this period despite far fewer overall violations.

Rather than reflecting an aberration, this trend continues an all-too-familiar pattern in Korean antitrust enforcement. In the prior 3-year period from 2019 to 2022, the KFTC levied against Google the largest single-firm fine—an amount roughly equal to that issued across 4 Samsung companies in 2021 and about two-thirds of the penalty charged that same year to 11 predominantly Korean firms for far more egregious cartel behavior in the steel industry. Similarly, from 2016 to 2019, the KFTC imposed its still all-time largest fine, over KRW 1 trillion, against Qualcomm, nearly triple the amount issued against 13



Korean firms for openly anticompetitive bid-rigging behavior in the LNG space. The upshot is simple: Over the past decade, even when Korean firms have engaged in far more—and arguably more serious—antitrust violations than American technology firms, it is the latter that consistently pay the highest fines.

The KFTC's history of questionable procedural tactics provides further confirmatory evidence of discriminatory intent that may accompany the Fairness Act. As a recent NBR **report** examining the experience of U.S. firms dealing with the KFTC found, "U.S. firms reveal that the practical effect of KFTC enforcement has been disproportionate scrutiny of U.S. firms, raising questions about de facto discrimination and the politicization of competition policy." Specifically, through practices that include reliance on "unnecessarily aggressive investigative tactics and raids" and "[t]he frequent use of (or threats to use) criminal referrals as an enforcement and intimidation tool," the KFTC has engaged in "a pattern that firms widely perceived as protectionist in effect, if not in intent." These allegations of abuses are particularly troubling in light of the Organisation for Economic and Co-operation and Development's now well-established **recommendations** regarding procedural due process in competition enforcement, which call for laws to be enforced in a "non-discriminatory manner, including without prejudice to the nationalities and ownership of parties under investigation."

In sum, the KFTC's enforcement record more than justifies concerns that the Fairness Act will reflect discrimination against American commerce in support of Korean industrial policy goals. American lawmakers must therefore be prepared to respond to such **non-tariff attacks** against U.S. technology companies. If the Fairness Act is enacted, U.S. policymakers should consider potential retaliatory measures under Section 301 of the Trade Act of 1974, as some lawmakers have already **proposed** in response to earlier iterations of Korean antitrust regulation. That provision authorizes the U.S. Trade Representative to take action against foreign measures that are "unjustifiable and burdens or restricts United States commerce." Not only does this possibility appear to remain **top of mind** within the current administration with respect to Korean digital antitrust regulation, but doing so would also help ensure that there are meaningful consequences for competition regimes around the world that discriminate against America's leading technology firms.

Exhibit 30:
CPNG-HJC119-0001709
News Article “Coupang Could Close in
Korea? Fair Trade Commission:
‘Suspension of Business Possible’”

Coupang Could Close in Korea? Fair Trade Commission: "Suspension of Business Possible"

Reporter Kim Seong-min

Updated December 20, 2025, 5:03 PM



Fair Trade Commission Chairman Joo Byung-ki is holding a post-work briefing at the Seoul Government Complex in Jongno-gu, Seoul on the afternoon of the 19th. / Newsis

Coupang, which suffered a large-scale cybersecurity incident, now faces the possibility of being suspended from business. Appearing on KBS's "Newsline W" on the afternoon of the 19th, Fair Trade Commission Chairman Joo Byung-ki stated, "We will utilize all available means, including dispute resolution and litigation support, to address consumer damages," adding, "We are also leaving open the possibility of a business suspension."

Recently, Coupang suffered a data breach involving 33.7 million customer details, allegedly caused by a former Chinese employee. The leak has led to a surge in secondary damage, including voice phishing and smishing. At the National Assembly Science, ICT, Broadcasting and Communications Committee hearing on the "Coupang Personal Information Leak" on the 17th, Coupang founder and parent company Coupang Inc. Chairman Kim Beom-

seok was absent. Only Harold Rogers, the new CEO of Coupang, who is not fluent in Korean, attended.

Amid criticism from the industry that Coupang is not acting responsibly, Fair Trade Commission Chairman Joo Byung-ki made a decisive statement that day. Chairman Joo stated, "If there is any financial damage to consumers, we must demand that Coupang take measures to recover the damage. If Coupang fails to do so appropriately, we can order a suspension of business operations." However, Chairman Joo stated that it must be confirmed that consumer information was stolen during the online transaction process. The priority must be to determine whether consumers have suffered or are at risk of financial damage. He also stated, "The joint investigation team is currently conducting an investigation," and added, "Holding them accountable for the personal information leak is the first priority."

If Coupang, Korea's leading online shopping mall, were to cease operations, its users could experience inconvenience. Regarding this, Director Joo stated, "If a suspension of operations could cause harm to consumers, we can impose a fine in lieu of that."



Reporter Kim Seong-min

Exhibit 31:
CPNG-HJC119-0001715
National Bureau of Asian Research
Policy Brief “Safeguarding U.S.
Companies from Unfair South Korean
Competition Policies”



Chung Sung-Jun/Getty Images

Policy Brief

Safeguarding U.S. Companies from Unfair South Korean Competition Policies

by Nigel Cory and Robert Holleyman

June 12, 2025

Nigel Cory and Ambassador Robert Holleyman argue that the Korean Fair Trade Commission's aggressive approach to competition policy enforcement creates nontariff barriers to trade that the United States should seek to address in its ongoing trade negotiations with South Korea. With recently elected president Lee Jae-myung expressing support for stronger digital platform regulations such as the Platform Competition Promotion Act, these issues are likely to persist.

Advanced technology goods and services play a crucial role in shaping the trade relationship between the United States and the Republic of Korea (ROK). For U.S. firms, South Korea is a key market as well as a major source of talent, innovation, and partnership. For South Korea, U.S. firms are major employers and providers of digital products and services. However, the latest U.S. National Trade Estimate continues to highlight a significant and persistent problem where South Korea uses discriminatory, restrictive, and arbitrary behind-the-border regulations and enforcement to target U.S. tech firms.[1] Within this context, the actions of the ROK government and, specifically, the Korea Fair Trade Commission (KFTC), the country's competition authority, provide a clear example of challenges that the United States should seek to confront in trade negotiations with the ROK. The KFTC's actions can be seen as violating the essence of the Trump administration's "Reciprocal Trade Memo," which targets policies that represent "unfair or harmful acts, policies, or practices" and are a "structural impediment to fair competition." Recently elected ROK president Lee Jae-myung pledged to continue this approach toward digital platform companies during his campaign, and since taking office has committed to strengthening the KFTC, including by increasing its personnel.[2] The KFTC's actions have drawn criticism and opposition from both U.S. companies and the U.S. government.[3] President Donald Trump's criticism of European Union regulators for targeting Apple, Google, and Meta could similarly be applied to South Korea's targeting of U.S. firms.[4]

The United States and South Korea are discussing various trade issues in the context of the Trump administration's decision to pause reciprocal tariffs for 90 days. This creates a diplomatic window for the new government in Seoul to reset and reaffirm its commitment to fair, balanced, and frictionless trade, including with regard to its application of competition policy to U.S. tech firms. To address this issue, the ROK could agree to detailed safeguards and nondiscriminatory treatment provisions to prevent the KFTC from misusing competition policy in the future. The United States and South Korea could do this by repurposing provisions from the competition chapter in the U.S.-Mexico-Canada Agreement (USMCA). The two countries could use these provisions to update the competition policy chapter (chapter 16) in the Korea-U.S. Free Trade Agreement (KORUS) or as part of a bilateral executive agreement. For the United States, such a development would serve to protect U.S. companies from targeted investigations. For the ROK, addressing the issue could reduce the risk that the country could be subject to heightened reciprocal or other tariffs from the United States.[5]

This brief provides an overview of the KFTC's problematic approach to competition policy and discusses how an executive trade agreement or revisions to KORUS could address the KFTC's overly aggressive use of competition policy against U.S. firms.

The KFTC's Problematic Track Record

The KFTC has demonstrated a pattern of targeting U.S. firms. Similar to the provisions in the EU's Digital Markets Act (DMA), the KFTC—through proposals such as the Platform Competition Promotion Act (PCPA)—seeks to create an *ex ante* competition policy where regulators (i.e., the KFTC itself) can target specific firms, determine potential business behavior that might hurt competition, and define competition in broad terms. This approach

includes designating dominant firms and platforms. Like the DMA, the KFTC wants to establish thresholds to designate dominant firms and platforms (so-called gatekeepers) that align with the claimed market power of large U.S. tech firms.^[6] While the KFTC also investigates South Korean firms (like Naver and Kakao), U.S. firms have consistently been the target of major enforcement action. It is also clear that U.S. firms are the ones South Korea seeks to target. Meanwhile, the KFTC exempts smaller firms and, in effect, Chinese rivals.

The KFTC defends its proposals by explaining that they are “designed to align with global regulatory standards, such as the EU’s Digital Markets Act.”^[7] The KFTC’s explicit reference to the DMA should be a clear signal to the Trump administration as to why it deserves priority attention in trade talks.

The KFTC’s track record is part of a troubling global development where competition policy regulators follow the EU in proactively imposing measures on large firms to prevent hypothetical anticompetitive behavior before it occurs.^[8] This is a move away from the traditional *ex post* enforcement approach, which reacts to violations only after they are detected and when there are clear and direct impacts on competition and consumer welfare. This shift is particularly problematic because many of the targeted business practices benefit consumers and support innovation.

For example, in December 2023 the KFTC proposed the PCPA, which included *ex ante* regulation targeting designated “dominant platform operators.” The PCPA was inspired by the EU’s Digital Markets Act and Section 19a of Germany’s Competition Act. The KFTC clearly aimed to follow the EU’s DMA, which went into effect a few months before the PCPA was proposed. The introduction of the PCPA followed several earlier attempts to introduce *ex ante* platform legislation.^[9] In September 2024 the KFTC responded to criticism of its proposal—which the KFTC’s own task force of experts did not endorse—announcing its intention to instead pursue amendments to South Korea’s existing antitrust law, the Monopoly Regulation and Fair Trade Act (MRFTA).^[10]

However, the new MRFTA proposal retains problematic elements. It introduces legal presumptions of dominance for platforms across six categories: online intermediaries, search engines, digital content services (e.g., video platforms), social networks, operating systems, and online advertising. These presumptions will apply to platforms that exceed a specific threshold, such as 60% market share and 10 million users. Firms can receive exemptions if their annual turnover is less than 3 trillion South Korean won. These thresholds are likely to capture a handful of companies, potentially including Google, Apple, Kakao, Naver, and Meta.^[11] Additionally, the proposal would increase the cap on fines from 6% to 8% of relevant turnover.^[12]

The MRFTA amendments, proposed by the previous administration in Seoul, would also prevent targeted platforms from self-preferencing (such as favoring their own services on a platform), tying (such as requiring end users to use their browser, identification, or payment services), and restricting multi-homing (connecting computer networks) and platforms’ access to and transfer of data.^[13] Moreover, dominant online platform operators bear the burden of proof to provide pro-competitive justifications, such as demonstrating consumer welfare gains. In the absence of such proof, such practices are presumed to be anticompetitive and therefore prohibited. This contrasts with the rule-of-reason approach in U.S. antitrust law, wherein authorities must first establish that conduct is anticompetitive before companies are required to offer pro-competitive justifications.^[14]

U.S. firms are also fearful of the KFTC given its history of selective and aggressive enforcement. Based on interviews conducted for this brief, U.S. firms report heavy-handed raids and investigations, which go beyond what is appropriate and necessary for regulatory investigations. U.S. tech firms view broad KFTC inquiries into digital issues as a prelude to future investigations and fines against them. Firms' reluctance to speak on the record has been attributed in these interviews to the fear that they may be targeted by future investigations, reflecting the lack of evidentiary basis for KFTC activities.

Major KFTC investigations of U.S. tech firms are summarized below:

Qualcomm. In 2016 the KFTC fined Qualcomm approximately \$853 million for unfair business practices related to patent licensing and modem chip sales. While the fine was reduced in court, the case accused Qualcomm of abusing its dominant market position to force unfavorable terms on South Korean handset manufacturers.^[15]

Google. For the last two years, the KFTC has been investigating Google's YouTube Music for bundling practices. It has yet to announce a decision on the investigation.^[16] In 2023 the KFTC fined Google 42.1 billion won for blocking the release of mobile video games on a competitor's platform.^[17] In 2021 the KFTC imposed a fine of around \$177 million on Google for allegedly blocking customized versions of its Android operating system and abusing its dominant market position.^[18]

Apple. In 2021 the KFTC fined Apple 300 million won (about \$264,000) for obstructing antitrust raids and refusing to hand over documents. It also referred one of Apple's executives for criminal prosecution.^[19] In 2021 the KFTC and Apple came to an agreement to end an investigation in exchange for Apple investing 74.5 million won into a support program for small businesses.^[20] Though this did not result in a large fine, the case is nonetheless notable as the criminal referral demonstrates the long-standing argument of U.S. firms that KFTC enforcement, regardless of the magnitude of the alleged activity, is often designed to intimidate and target individuals through aggressive enforcement, regardless of actual guilt.

Coupang. In 2024 the KFTC fined Coupang—a U.S.-based firm that generates over 40 trillion won (\$28 billion) in annual sales in South Korea—approximately 140 billion won (\$98 million). The fine was based on the prohibition of what the KFTC describes as deceptive practices rather than abuse. The targeted practices are common retail practices that involve algorithm-based product placement. The investigation included a search of Coupang's offices.^[21] In 2021 the KFTC fined Coupang 3.3 billion won for unfair business practices. In 2024 the company won a legal challenge in the Seoul High Court, which found that the KFTC's decision was based on insufficient evidence regarding Coupang's demand for price increases.^[22]

Meta, Coupang, Google, and Apple, among other firms. In March 2025 the KFTC announced a fact-finding survey targeting major firms at home and abroad to investigate competitive restrictions in the artificial intelligence (AI) data market. In addition, the KFTC plans to conduct a legal review to determine whether competitive restrictions in the AI data market might constitute an abuse of a firm's dominant market position or unfair trading practices under Fair Trade Law (akin to a 2019 German competition authority's investigation into Meta).^[23] It is notable that the KFTC did not include any Chinese AI firms, many of which have significant operations in South Korea, in its investigation.

Competition Policy as One of Many Nontariff Barriers to U.S.-ROK Digital Trade

South Korea's other nontariff barriers to digital trade provide important context for understanding the KFTC's problematic approach to competition policy. Many U.S. National Trade Estimate Reports detail the country's track record of using discriminatory regulations as a nontariff barrier to target U.S. firms. For example, a 2022 amendment to South Korea's Telecommunications Business Act prevents large (mainly U.S.) platforms from forcing developers to use their in-app payment systems.^[24] The thresholds it uses to identify large platforms captures several U.S. firms but only one Korean firm.

The U.S. Trade Representative (USTR) has also stated that "Korea's restrictions on cross-border data flows undermine U.S. competitiveness in the Korean market and inhibit U.S. companies from providing innovative products like Google Maps and Apple Maps" and that "U.S. firms are losing out in the Korean markets for reinsurance and navigation services—which is conservatively estimated at \$12 billion."^[25] Similarly, South Korea's Cloud Security Assurance Program effectively precludes U.S. cloud firms from the public sector market.^[26] This program's data transfer restrictions (known as data localization) and cloud restrictions were supposedly introduced for national security reasons, but the real impact is hampering competition in navigation and other services from foreign service providers, which is a veiled anticompetitive policy.

South Korean digital trade restrictions are why Representative Carol Miller proposed in 2024, and reintroduced in May 2025, the U.S.-ROK Digital Trade Enforcement Act—legislation that would authorize trade restrictions if the ROK were to impose discriminatory digital competition regulations.^[27]

Policy Options for Addressing the KFTC's Discretionary and Discriminatory Enforcement Practices

The United States has tried to use KORUS to address competition-related concerns in South Korea in the past. In 2019 the USTR led formal consultations under KORUS's chapter on competition-related matters (chapter 16) to get South Korea to improve procedures in KFTC competition hearings, which denied U.S. firms certain rights.^[28] The issue is the country's noncompliance with KORUS Article 16.1.3, which states that a party in an administrative hearing related to competition must "have a reasonable opportunity to...review and rebut the evidence and any other collected information on which the determination may be based."^[29] The United States initiated formal consultations after South Korea failed to address the issue after multiple meetings, letters, and formal comments.^[30] Even as it continues to monitor Korean commitments arising from the 2019 consultation, the United States has identified new concerns about proposals from the KFTC and the National Assembly "to regulate certain suppliers of digital services that meet global and national revenue thresholds."^[31] South Korea's draft amendments to the Monopoly Regulations and Fair Trade Act reinforce U.S. questions about the country's approach and potential noncompliance with KORUS obligations.

The United States could consider pressing South Korea to modernize KORUS's competition chapter or make additional commitments via a bilateral executive agreement to eliminate the KFTC's discretionary and discriminatory enforcement practices. The fix could draw on standards used in the USMCA and include the following provisions.

Prohibition of discriminatory practices. South Korea could commit to abstaining from practices that directly or indirectly target U.S. firms, including politically motivated investigations, disproportionate sanctions, coercive settlement tactics, and the use of civil infractions as pretexts for criminal prosecution. Such provisions could mirror the USMCA's binding language in Articles 21.2 and 21.3, requiring nondiscriminatory treatment and impartial administration of competition law.

Additional due process and procedural and burden of proof safeguards. As is mandated under USMCA Article 21.2(7), South Korea must guarantee due process in all enforcement proceedings, including prior notification of investigations, access to full records and evidence, rights to legal counsel, and the opportunity to meaningfully contest allegations before an impartial adjudicator. Furthermore, commitments should not shift the burden of proof onto defendants in a manner inconsistent with the principles of due process and procedural fairness.

Commitments on regulatory neutrality and nondiscrimination. The ROK could commit to applying consistent legal standards to both domestic and foreign entities, including prohibiting frameworks that presume monopolistic dominance based on market share thresholds.

A defined scope for legitimate competition policy objectives. The ROK could define a clear and objective scope for competition-related policy goals (e.g., combating cartel behavior, illicit collusion, and abuse of market dominance) and explicitly prohibit the misuse of competition law to pursue industrial policy, protect domestic competitors, or serve noncompetition objectives. This could align with the USMCA's language on policy enforcement and, additionally for South Korea's purposes, with standards of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

A broader scope of KORUS dispute settlement for competition policy. The challenge for the United States lies in ensuring that South Korea adheres to new commitments. While competition provisions often fall outside traditional state-to-state dispute-resolution mechanisms in U.S. trade agreements, more is likely needed in the case of the U.S.-ROK trade relationship due to the KFTC's extensive track record despite the existence of KORUS. KORUS allows for use of dispute settlement for discrete elements involving competition in the area of state enterprises that are designated and government monopolies. This could be broadened under KORUS or an executive trade agreement to better address the evolving nature of the trade barriers, the targeting of U.S. firms, and "impediments to fair competition."

Conclusion

The KFTC realizes that the context of its actions has changed and that it is under increased scrutiny. In a February 2025 statement, it noted, "We [the KFTC] are keeping all options open given the uncertainty in the global trade environment."^[32] The United States should use negotiations and the threat of tariffs to persuade South Korea to agree to provisions that address its problematic approach to competition policy. An updated KORUS competition chapter or an executive trade agreement would introduce transparent, predictable, and enforceable safeguards into ROK competition policy to mitigate concerns about bias. Additional commitments through ongoing negotiations would support trade, innovation, and economic growth. This would send a clear signal that U.S. firms receive fair and equitable treatment in South Korea.

Although the language of a USMCA-based solution is straightforward, the challenge is making new commitments enforceable. The United States is likely to look for stronger commitments from the ROK given the history of the KFTC and the further risk of U.S. firms being targeted through enforcement actions and potential legislation. The KFTC's recent expression of interest in the EU's Digital Markets Act is unlikely to be forgotten by the United States, given the priority that the Trump administration has placed on these issues. Theoretically, the United States could rely on the good faith nature of Korean commitments in the context of heightened pressure to solve these barriers. However, without an enforcement mechanism, there is no guarantee of success if the KFTC or ROK government finds alternative ways to target U.S. firms in the future.

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Exhibit 32:
CPNG-HJC119-0001730
Yonhap News Article “Gov’t Launches
Task Force for Coupang Data Breach
Probe”

Gov't launches task force for Coupang data breach probe

By Yonhap

Published Dec 23, 2025 5:43 pm KST



Police officials carry boxes after completing a raid at Coupang's headquarters in Seoul, Dec. 9, as part of a probe into the e-commerce operator's personal data breach. Joint Press Corps

Korea on Tuesday launched an interagency task force (TF) to carry out an investigation into the recent data breach at U.S. e-commerce giant Coupang that affected 33.7 million users.

The new TF, comprising officials from the science and labor ministries, along with the media watchdog, financial authorities, the police and the spy agency, held its first meeting on the day to investigate facts behind the breach, according to the Ministry of Science and ICT.

The task force will discuss ways to protect users and revamp data protection policies, the ministry said.

"The government considers the Coupang incident a major social crisis that has damaged public trust," Second Vice Science Minister Ryu Je-myung said in a release.

"Through the government-wide TF, we will investigate the cause of the incident and identify accountability, while protecting users and strengthening corporate social responsibility," Ryu added.

Ryu said the government will "take stern measures" if the investigation reveals any legal violations by Coupang.

In November, Coupang said the personal information of its customers had been compromised, indicating that data, such as names, phone numbers, email addresses and delivery details of nearly all members, has been affected.

Exhibit 33:
CPNG-HJC119-0001732
The Korea Times Article “Coupang’s
Interim CEO Undergoes 14 Hours of
Questioning Over Perjury Allegations”

Saturday
February 7, 2026

Coupang's interim CEO undergoes 14 hours of questioning over perjury allegations

Published: 07 Feb. 2026, 11:26 Updated: 07 Feb. 2026, 17:49



Harold Rogers, interim CEO of Coupang, leaves the Seoul investigative police headquarters in Mapo District in western Seoul, on the morning of Feb. 7 after going through 14 hours of intense questioning. [YONHAP]

Harold Rogers, interim CEO of Coupang, underwent 14 hours of police questioning that ran into the early hours of Saturday morning over allegations he committed perjury while testifying before the Korean parliament in December.

Rogers is accused of lying under oath during a parliamentary hearing from Dec. 30 to 31 on Coupang's massive data breach that has affected more than 33 million customers in Korea.

He told lawmakers that Coupang conducted its own probe into a Chinese national suspected of involvement in the data breach and confiscated his laptop at the instruction of the National Intelligence Service, Korea's spy agency.

Police were expected to interrogate Rogers about the allegations.

Appearing from the Seoul police investigative headquarters in Mapo at 3:25 a.m., Rogers left without answering questions from reporters.

Rogers has been questioned twice in a week as police hone in on the data breach case belatedly disclosed by the U.S.-listed e-commerce giant in November.

Police will likely bring him in for another round of interrogation over suspicions of a cover-up in connection with the death of a Coupang worker at a logistics center in 2020.

Rogers is expected to leave Korea later this month to testify before the U.S. House Committee on the Judiciary, as the committee is investigating what it has called Korea's "discriminatory targeting" of American companies.

Yonhap

Exhibit 34:
CPNG-HJC119-0001736
“Korean Tax Authority ‘Grim Reaper’
Division Launches Audit of Coupang”

Korean tax authority's 'grim reaper' division launches audit of Coupang

Posted on : 2025-12-23 18:35 KST Modified on : 2025-12-23 18:35 KST

The National Tax Service's special audit is expected to track how money flowed between the online retailer's Korean business and its US parent company



A worker walks by a door at a Coupang fulfillment center in Seoul on Dec. 17, 2025, as the company faces National Assembly scrutiny over a massive leak of customer information. (Yonhap)

Following a massive leak of customers' personal information, Korea's National Tax Service has put together a major task force to conduct a special audit of the e-commerce platform Coupang.

In an unprecedented move, the Seoul Regional Tax Office has mobilized both its fourth audit division and its international transaction investigation bureau for an audit that is expected to focus on the capital flows of Coupang affiliates and its US headquarters.

According to the sources with knowledge of the tax service, the Seoul Regional Tax Office sent over 150 agents to Coupang's Korean headquarters and Coupang Fulfillment Services in Seoul's Songpa District on Monday morning. Agents raided Coupang's offices and secured the accounting documents required to conduct their audit.

Responsible for non-routine audits, the service's fourth audit division is the team that is mobilized when suspicions of large-scale slush funds or tax evasion are involved — in other

words, audits outside the scope of ordinary day-to-day investigations.

The division is unofficially known as the “grim reaper” of the business and finance community, comparable in authority to the bygone Central Investigation Bureau of the Supreme Prosecutors’ Office.

While Coupang Fulfillment Services, the firm’s subsidiary responsible for logistics and distribution, is listed as the official target of the audit, investigators are reportedly looking into Coupang’s Korean operations as a whole.

“The mobilization of the fourth audit division appears to be a declaration of intent by the NTS to focus its investigations on what it sees as a major case,” one source commented.

A NTS official said that they “could not confirm anything regarding specific allegations.”

The audit of the Coupang affiliate appears likely to be the first step toward auditing the online retailer platform’s headquarters. The participation of the international transaction audit division indicates that the service intends to examine capital movements from Coupang’s Korean operations to its US-based parent company, Coupang Inc.

Established in 2016, Coupang Fulfillment Services is a wholly-owned subsidiary of Coupang. It is primarily responsible for Coupang’s logistics and distribution, the crux of Coupang’s business model. As of last year, Coupang Fulfillment Services recorded 4.37 trillion won (US\$2.95 billion) in revenue, and had 78,159 employees on the books.

As the government ramps up its pressure on Coupang, with the NTS audit coming on top of investigations already underway by Korea’s Fair Trade Commission and the Personal Information Protection Commission, the Democratic Party has said it will hold a hearing from Dec. 30 to 31 regarding the firm’s recent data leak.

“The National Assembly’s Science, ICT, Broadcasting and Communications Committee; National Policy Committee; Land, Infrastructure and Transport Committee; and Climate, Energy, Environment and Labor Committee are scheduled to take part in the joint Coupang hearing,” Huh Young, a chief deputy floor leader for the Democratic Party, told reporters on Monday.

“The science committee will oversee the proceedings, and its chair, Rep. Choi Min-hee, will act as the chair of the hearing. Kim Hyun, the vice chairperson of the science committee, will act as the coordinating chair of the hearing,” he added.

Regarding plans to have the Strategy and Finance Committee participate in the hearing, Huh said that the committee would attend the hearing to discuss the special audit by the NTS.

Still, it appears unlikely that Coupang founder and Coupang Inc. CEO Kim Bom-suk — also known as Bom Kim — will make an appearance at the hearing. Regarding this potential absence, Kim Hyun raised the possibility of pressing additional charges.

“The National Assembly still has the option of a parliamentary probe up its sleeve, so we will not rest until Kim comes to Korea and gives answers on follow-up accountability measures,” the lawmaker said.

By Park Su-ji, staff reporter; Ko Han-sol, staff reporter

Please direct questions or comments to [english@hani.co.kr]

Exhibit 35:
CPNG-HJC119-0001738
“Data Protection Agency Tells Coupang
to Stop Publishing Unconfirmed
Information About Data Breach”

Wednesday
January 14, 2026

Data protection agency tells Coupang to stop publishing unconfirmed information about data breach

Published: 14 Jan. 2026, 21:07



The Coupang logo is seen on a delivery truck at a Coupang logistics center in Seoul on Dec. 29, 2025. [YONHAP]

Korea's data protection watchdog on Wednesday told e-commerce giant Coupang to stop publishing its own findings about a data breach that compromised the personal information of millions of users, warning that unverified statements could mislead users and undermine an ongoing official investigation.

The Personal Information Protection Commission (PIPC) said Coupang had disclosed information on its app and website that authorities have not confirmed through a formal probe.

The commission reviewed Coupang's response to the breach and its compliance with improvement recommendations that the watchdog approved twice in December at a full committee meeting held earlier on Wednesday.

During the review, the PIPC took issue with Coupang's notice that was based on statements obtained through the company's own contact with a former employee identified as the suspected source of the leak, even as the official investigation continued. The watchdog said Coupang presented those statements as if authorities had verified them.

The commission said such disclosures could complicate efforts to determine the exact nature of the leaked information and the scope of the damage, and could lead the public to misinterpret the situation. It added that the practice could amount to interference with the commission's investigation and ran counter to the intent of its earlier resolutions calling for corrective action.

Coupang is currently under investigation over a data breach that the company reported last November as to have compromised the personal data of 33.7 million customers, including their names, emails, phone numbers and addresses.

The commission said earlier recommendations had been implemented only in a largely formal way and were insufficient. It ordered Coupang to take additional steps, including adding a function to its app and website that allows users to check whether their personal data was leaked and to promptly notify those whose information appeared on leaked delivery address lists.

The commission also warned that Coupang has repeatedly failed to submit requested materials or submitted them late, saying such conduct could constitute obstruction of an investigation and could be treated as an aggravating factor in any future sanctions.

This article was originally written in Korean and translated by a bilingual reporter with the help of generative AI tools. It was then edited by a native English-speaking editor. All AI-assisted translations are reviewed and refined by our newsroom.

BY HYEON YE-SEUL [kimjuyeon2@joongang.co.kr]

Exhibit 36:
CPNG-HJC119-0001994
Spreadsheet of South Korean
Investigations

Since the November 2025 data incident, 11 separate ROK government agencies have unleashed 40 distinct investigations into virtually every facet of Coupang’s business—deploying hundreds of investigators to conduct more than 650 employee interviews and to issue nearly 4,230 separate document requests—even though 33 of those investigations are unrelated to the data incident that triggered the sweeping, whole-of-government probe.

#	Investigating ROK Agency	Scope of Investigation	Investigation Related to Data Breach?	Number of Investigation Days	Number of Investigators Involved	Number of Document Requests	Number of Interviews	Number of Coupang Employees Interviewed
1	Ministry of Science and ICT ("MSIT")	Analysis of the causes of the data incident, purportedly to identify the causes of the incident and prevent any damage arising therefrom.	Related	47	32	260	49	55
2	Personal Information Protection Commission ("PIPC")	Investigation to verify compliance with personal information protection measures.	Related	29	14	254	58	37
3	Financial Supervisory Service ("FSS")	On-site inspection focused on overall the adequacy of data management including data exchanges between Coupang Corp and Coupang Pay, the adequacy of IT operations and controls, and compliance with applicable laws and regulations.	Unrelated	27	7	122	40	28
4	FSS	On-site ad-hoc examination to assess the Coupang's Corp's response to the data breach incident, the adequacy of IT operations and controls, and the appropriateness of the information security management system within applicable laws and regulations.	Unrelated	22	7	88	25	35
5	FSS	On-site inspection to assess the appropriateness of loan products operated by Coupang Financial (unrelated to this incident).	Unrelated	11	4	48	7	10
6	FSS	On-site ad-hoc examination to assess the appropriateness of loan origination practices at Coupang Financial (unrelated to this incident).	Unrelated	22	5	194	23	44
7	Seoul Metropolitan Police (Cyber Investigation Team)	Search and seizure for investigation of violations of the Information and Communications Network Act by the threat actor to identify evidence to hold them responsible.	Related	7	17	173	19	14

8	Fair Trade Commission ("KFTC")	On-site investigation regarding whether current consumer T&Cs violate the Act on the Regulation of Terms and Conditions (unrelated to this incident).	Unrelated	3	3	8	1	1
9	KFTC	On-site investigation regarding potential violations of the Act on the Consumer Protection in Electronic Commerce related to (1) membership registration and withdrawal procedures, purchase and cancellation processes since December 2020, and (2) consumer damage recovery measures following personal information breach (unrelated to this incident).	Unrelated	6	5	81	7	5
10	Korea Media and Communications Commission ("KMCC")	Special inspection to review safety measures for CI (Connecting Information) and overall issues related to CI leaks, including user damage prevention measures; CI was not part of the data leaked as a result of this incident (unrelated to this incident.)	Unrelated	7	2	33	4	8
11	Seoul Regional Tax Office	Tax audit covering (1) all tax items from 2021 to 2024, and (2) value-added tax from January 2025 to June 2025 (unrelated to this incident).	Unrelated	15	13 (approx. 150 on the first day)	252	7	6
12	Special Prosecutor	Search and seizure for investigation of abuse of authority and obstruction of rights related to involving undue influence over non-prosecution decisions related to CFS severance pay case (unrelated to this incident).	Unrelated	4	34	1534	19	15
13	KMCC	On-site inspection to verify compliance with the Act on the Protection and Use of Location Information; Location Information was not part of the data leaked as a result of this incident (unrelated to this incident).	Unrelated	3	10	52	8	26
14	Korea Customs Service	Verification of the appropriateness of using the personal customs clearance code service (dedicated API); personal customs clearance code data was not part of the data leaked as a result of this incident (unrelated to this incident).	Unrelated	1	3	N/A	1	3

15	Korea Customs Service (Seoul Regional Customs)	Foreign exchange transaction inspection covering the appropriateness of export/import customs clearance and foreign exchange transactions from June 2021 to December 2025 (unrelated to this incident).	Unrelated	27	13	150	12	12
16	KMCC	On-site investigation regarding potential violations of prohibited acts under the Telecommunications Business Act including Coupang account withdrawal	Unrelated	2	8	60	7	12
17	KFTC	On-site investigation regarding potential violations of the Act on Fair Transactions in Large Retail Business related to retail business (unrelated to this incident).	Unrelated	9	11	38	47	33
18	KFTC	On-site investigation regarding potential violations of the obligation to submit materials related to designation as business group (unrelated to this incident).	Unrelated	14	10	57	14	12
19	KFTC	On-site investigation regarding potential violations of the Fair Trade Act related to open markets (Rocket Growth and Marketplace business) (unrelated to this incident).	Unrelated	9	10	24	68	61
20	KFTC	On-site investigation regarding unfair support to affiliates (intra-company transactions) (unrelated to this incident).	Unrelated	9	10	53	35	28
21	KFTC	On-site investigation regarding potential violations of the Fair Trade Act related to open markets (Rocket Growth business) (unrelated to this incident).	Unrelated	4	5	20	9	8
22	KFTC	On-site investigation regarding potential violations of the Fair Trade Act related to PB products (Private Label business) (unrelated to this incident).	Unrelated	9	11	15	25	13
23	KFTC	On-site investigation regarding unfair support to affiliates (intra-company transactions) (unrelated to this incident).	Unrelated	6	5	8	18	13
24	KFTC	On-site investigation regarding potential violations of the obligation to submit materials related to designation as business group (unrelated to this incident).	Unrelated	10	9	12	13	13

25	KFTC	On-site investigation regarding unfair support to affiliates (intra-company transactions) (unrelated to this incident).	Unrelated	4	9	17	13	6
26	Ministry of Land, Infrastructure and Transport ("MOLIT")	On-site inspection regarding (1) potential violations of zoning and land-use regulations, (2) potential violations of applicable building laws and regulations, (3) installation and maintenance of rest facilities for workers, and (4) potential violations of other applicable regulations including breaches of safety standards at logistics facilities (unrelated to this incident).	Unrelated	199	Approx. 3 per facility	44	199 *	199 *
27	MOLIT	On-site inspection regarding (1) potential violations of zoning and land-use regulations, (2) potential violations of applicable building laws and regulations, (3) installation and maintenance of rest facilities for workers, and (4) potential violations of other applicable regulations including breaches of safety standards at fulfillment facilities (unrelated to this incident).	Unrelated	71	Approx. 3 per facility	69	71 *	71 *
28	Ministry of Employment and Labor ("MOEL")	On-site investigation regarding (1) performance improvement plan, (2) restricted hiring list for CPF, (3) potential illegal dispatch practices between Coupang Corp. and CLS, and (4) any other potential violations of labor-related laws .	Unrelated	27	78	130	43	36
29	MOEL	Investigation regarding (1) severance pay matters (including the IRP system), (2) alleged monitoring activities on DC Inside, and (3) any other potential violations of labor-related laws.	Unrelated	2	5	25	1	1
30	MOEL	Investigation regarding (1) severance pay matters (including the IRP system), (2) alleged monitoring activities on DC Inside, (3) potential illegal dispatch practices between Coupang Corp. and CLS, and (4) any other potential violations of labor-related laws.	Unrelated	26		118	47	40

31	PIPC	On-site investigation regarding Coupang Partners' forced redirect ads and compliance with privacy laws in connection with advertising practices.	Unrelated	6	4	92	9	7
32	PIPC	Investigation regarding (1) the retention and use of personal information of former CFS employees, and (2) the receipt of CCTV video footage related to workplace fatality from CFS.	Unrelated	0	4	5	N/A	N/A
33	PIPC	Investigation regarding (1) the retention and use of personal information of former CFS employees, and (2) the provision of CCTV video footage related to workplace fatality.	Unrelated	0	4	22	N/A	N/A
34	MOEL (Industrial Accident Prevention and Inspection Division, Seoul Regional Office of Employment and Labor)	Investigation regarding (1) the workplace fatality of FC employee in 2020, and (2) alleged concealment or manipulation of CCTV video footage related to such workplace fatality.	Unrelated	0	N/A	47	1	1
35	Seoul Metropolitan Police (Mobile Detective Division)	Investigation regarding (1) the workplace fatality of FC employee in 2020, (2) alleged concealment or manipulation of CCTV video footage related to such workplace fatality, and (3) alleged violations of applicable privacy laws in connection with the analysis of such video footage.	Unrelated	0	5	23	5	5
36	Seoul Metropolitan Police (Financial Crime Investigation Team)	Investigation regarding the following complaints: (1) alleged unfair increase in margin rates and take rates, and delays in settlement; (2) alleged discrepancies in transaction amounts as reflected in the financial statements of Coupang Corp and its subsidiaries; (3) alleged issues with CFN's high-interest loan; and (4) alleged violations of applicable privacy laws in connection with data breach incident.	Related	0	3	28	5	6

37	Seoul Metropolitan Police (Cyber Investigation Team)	Investigation regarding actions that included contacting the threat actor, securing a written statement and the electronic device used in this incident, and intentionally interfering with the investigative authorities' lawful evidence-collection procedures; this investigation concerns Coupang's fact-finding activities in connection with data breach incident.	Related	0	5	19	2	2
38	Seoul Metropolitan Police (Cyber Investigation Team)	Investigation regarding the deletion of the Akamai web access log in violation of the data preservation order issued by MSIT in connection with data breach incident.	Related	0	5	19	2	2
39	Seoul Metropolitan Police (Anti-Corruption Investigation Unit)	Investigation regarding the failure to attend the National Assembly hearing.	Unrelated	0	6	1	3	3
40	Seoul Metropolitan Police (Anti-Corruption Investigation Unit)	Investigation regarding alleged false testimony of former and current executives at the National Assembly hearing, including testimony in connection with data breach incident.	Related	0	21	34	5	4
Total:	11 Separate ROK Offices	40 Separate Investigations	33 Investigations Unrelated to Data Breach	384 ROK Investigators**	4,229 Document Requests*	652 Separate Interviews*	605 Coupang Employees Interviewed**	

* These figures are based on data and information kept by the company in the ordinary course of business. Given the high volume of document requests, interviews, and other investigative activities, not all items may be captured, and certain details may be subject to imprecision and subsequent revision. Certain overlap may also exist. For example, the same individual may have been interviewed multiple times across different investigations, or the same investigator may have been involved in multiple investigations.

**The total number of "ROK Investigators" and "Coupang Employees Interviewed" reflects the cumulative headcount across all on-site visits during the reporting period, not the number of unique individuals. Because the same government personnel may have participated in multiple visits (for example, the same inspector attending five separate on-site sessions), this figure likely contains overlap.

Exhibit 37:
CPNG-HJC119-0001995, pages
2000-2005
Kim & Chang Law Offices and Shin &
Kim LLC Legal Advisory Opinions

English Translation

The following is an English translation of the Korean-language Submission of Reference Materials filed by Shin & Kim LLC on behalf of suspect Harold Lin Rogers, together with the two Confirmation Letters attached as Reference Materials 1 and 2.

Original document: 260330_Submission of Reference Materials_Harold Lin Rogers_Violation of the National Assembly Act (Perjury)_2026-822.pdf

Translation — Case No. 2026-822 — Confidential / Attorney Work Product

SHIN & KIM LLC

(Beomu Beobin (Yuhan) Sejong)

Re: Case No. 2026-822, Violation of the Act on Testimony, Appraisal, etc. before the National Assembly (Perjury)

Suspect: Harold Lin Rogers

SUBMISSION OF REFERENCE MATERIALS

(‘Chamgo Jaryo Jechulseo’)

March 30, 2026

Defense Counsel for the Suspect

SHIN & KIM LLC

Attorneys-in-Charge:

To: Investigator

Anti-Corruption Investigation Section 1, Team 2

Metropolitan Investigation Unit

Seoul Metropolitan Police Agency

Shin & Kim LLC |

Tel: |

Fax: |

Contact: Attorney | Tel: | Email: @shinkim.com

Contact: Attorney | Tel: | Email: @shinkim.com

Translation — Case No. 2026-822 — Confidential / Attorney Work Product

SUBMISSION OF REFERENCE MATERIALS

Re: Case No. 2026-822, Violation of the Act on Testimony, Appraisal, etc. before the National Assembly (Perjury)

Suspect: Harold Lin Rogers

With respect to the above-captioned case, the defense counsel for the suspect Harold Lin Rogers (hereinafter referred to as the “Suspect”) hereby submits the following reference materials.

PARTICULARS

In response to your Agency’s Request for Investigative Cooperation dated March 17, 2026 (Anti-Corruption Investigation Unit-1758), we hereby provide our reply as set forth below, and respectfully request that you take the same into consideration in carrying out your duties.

Because the review and reporting at that time were conducted orally, there are no written materials prepared in connection therewith. **However, in order to evidence the fact that legal advice was rendered by Kim & Chang Law Offices and Shin & Kim LLC, we have obtained and submit herewith Confirmation Letters from each firm**, and respectfully request that you take the same into consideration in carrying out your duties.

No.	Name	Purpose of Submission
Reference Material 1	Confirmation Letter (Kim & Chang Law Offices)	The fact that Kim & Chang Law Offices and Shin & Kim LLC each rendered an opinion, during the period from December 1, 2025 to December 2, 2025, in response to requests for legal advice by the Legal Team of Coupang Corp.
Reference Material 2	Confirmation Letter (Shin & Kim LLC)	

March 30, 2026

Translation — Case No. 2026-822 — Confidential / Attorney Work Product

Defense Counsel for the Suspect

SHIN & KIM LLC

Attorney-in-Charge: [REDACTED]

Attorney-in-Charge: [REDACTED]

Attorney-in-Charge: [REDACTED]

Attorney-in-Charge: [REDACTED]

Attorney-in-Charge: [REDACTED]

Attorney-in-Charge: [REDACTED]

To: Investigator [REDACTED]

Anti-Corruption Investigation Section 1, Team 2

Metropolitan Investigation Unit

Seoul Metropolitan Police Agency

Translation — Case No. 2026-822 — Confidential / Attorney Work Product

CONFIRMATION LETTER

(*Hwaginseo*)

To: Anti-Corruption Investigation Unit, Seoul Metropolitan Police Agency

Kim & Chang Law Offices hereby confirms that, during the period from December 1, 2025 to December 2, 2025, in response to a request for legal advice from the Legal Team of Coupang Corp., it rendered a legal advisory opinion to the effect that, pursuant to the statutory requirements of Article 5 of the National Intelligence Service Act, Coupang Corp. was under an obligation to comply with the National Intelligence Service's request for cooperation.

However, we respectfully request your understanding that, in light of attorneys' duty of confidentiality, we are unable to confirm the specific content thereof.

March 2026

KIM & CHANG LAW OFFICES

Managing Partner: [REDACTED]

CONFIRMATION LETTER

(*Hwaginseo*)

To: Anti-Corruption Investigation Unit, Seoul Metropolitan Police Agency

Your Agency, by way of its Request for Investigative Cooperation dated March 17, 2026, requested Coupang Corp.'s cooperation with respect to the submission of: (i) materials by which the Agency could verify the items pursuant to which Shin & Kim LLC was requested to review the National Intelligence Service's official letter (Sa-jo-350, dated December 2, 2025), together with related progress, including internal reporting documents, messenger records, email correspondence, and similar materials (the "Request Item B"); and (ii) materials by which the Agency could verify items that Coupang Corp. discussed and revised with Shin & Kim LLC, the final response materials, and related progress, including internal reporting documents, messenger records, email correspondence, and similar materials (the "Request Item C").

Shin & Kim LLC hereby confirms that, during the period from December 1, 2025 to December 2, 2025, in response to a request for legal advice from the Legal Team of Coupang Corp., it rendered a legal advisory opinion to the effect that, under the statutory interpretation of Article 5 of the National Intelligence Service Act, Coupang Corp. was under an obligation to comply with the National Intelligence Service's request for cooperation.

However, we respectfully request your understanding that the specific content of the legal advice cannot be submitted, pursuant to attorneys' duty of confidentiality under Article 26 of the Attorney-at-Law Act, and is also subject to the privilege of confidentiality set forth in Article 26-2, Paragraph 1 of the amended Attorney-at-Law Act (Law No. 21357, as amended on February 19, 2026).

March 2026

SHIN & KIM LLC

Managing Partner:

[REDACTED]

Translation — Case No. 2026-822 — Confidential / Attorney Work Product

Exhibit 38:
CPNG-HJC119-0002056
Arthur's Contemporaneous Notes and
Messages

Evidence Information

Item	Content	Evidence
Name	2026-2572_1_SM-S931N_FullFilesystem_20260414.mdf	2026-2572_1_SM-S931N_FullFilesystem_20260414.mdf
Model	SM-S931N	2026-2572_1_SM-S931N_FullFilesystem_20260414.mdf
Manufacturer	Samsung	2026-2572_1_SM-S931N_FullFilesystem_20260414.mdf
Time Zone	(UTC+09:00) Seoul	2026-2572_1_SM-S931N_FullFilesystem_20260414.mdf
Analysis Tool	MD-RED v3.12.30.3640	2026-2572_1_SM-S931N_FullFilesystem_20260414.mdf
Analysis Date and Time	2026-04-14 12:45:46 ~ 2026-04-14 22:28:34	2026-2572_1_SM-S931N_FullFilesystem_20260414.mdf
SHA256	40C52AFA25CF9C476F0450BDC275820C41DB3C01384F1863CACC1719663086CD	2026-2572_1_SM-S931N_FullFilesystem_20260414.mdf

CONFIDENTIAL TREATMENT REQUESTED | NOT FOR DISTRIBUTION | MEMBERS & STAFF ONLY

Account

App	Status	Attribute	Range	Item	Content	Evidence
KakaoTalk	Active		KakaoTalk	Account	Internal ID: [REDACTED – KakaoTalk ID]	2026-2572_1_SM-S931N_FullFilesystem_20260414
Secure	Active		Secure	Account	Email: [REDACTED – Email]	2026-2572_1_SM-S931N_FullFilesystem_20260414
Signal	Active		Signal	Account	Phone number: [REDACTED - Phone Number] Internal ID: [REDACTED – Signal ID] Who can see my phone number: Everyone	2026-2572_1_SM-S931N_FullFilesystem_20260414
Signal	Active		Signal	Account Lock	Feature: Registration Lock PIN: [REDACTED]	2026-2572_1_SM-S931N_FullFilesystem_20260414

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Information

App	Status	Attribute	Item	Content	Remarks	Evidence
IMEI	Active		IMEI	[REDACTED – IMEI]		2026-2572_1_SM-S931N_FullFilesystem_20260414
IMS Service	Active		IMSI	[REDACTED – IMSI]	MCC: 450 (Korea S, Republic of) Phone Number: [REDACTED - Phone]	2026-2572_1_SM-S931N_FullFilesystem_20260414
System Information	Active		IMEI	[REDACTED – IMEI]		2026-2572_1_SM-S931N_FullFilesystem_20260414
System Information	Active		IMEI (eSIM)	[REDACTED – eSIM IMEI]		2026-2572_1_SM-S931N_FullFilesystem_20260414
System Information	Active		Device Information	OS Version: 16 Manufacturer: SAMSUNG Model: SM-S931N Serial Number: [REDACTED – Serial] Time Zone: Asia/Seoul		2026-2572_1_SM-S931N_FullFilesystem_20260414
System Information	Active		First Call Date	2025-10-25		2026-2572_1_SM-S931N_FullFilesystem_20260414
System Information	Active		Device Information	Manufacturer: Samsung Model: SM-S931N Serial Number: [REDACTED – Serial] Serial Number: [REDACTED – Serial] Build Number: BP2A.250605.031.A3.S931NKSS8BZC1 OS Version: 16 Android Security Patch Level: 2026-03-05 Boot Time: 2026-04-14 10:39:25 (UTC+09:00) Time Zone: Asia/Seoul		2026-2572_1_SM-S931N_FullFilesystem_20260414
System Information	Active		Wi-Fi Address	[REDACTED – MAC]		2026-2572_1_SM-S931N_FullFilesystem_20260414

Contacts

App	Status	Name	Additional Name	Name set by the other party	▶Translation	Phone number	Email	▶Translation	Other	▶Translation	Internal ID	Creation Date	Update Date	Synchronization	Account	Group	Remarks	Evidence
Phone	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]				Mobile: [NIS Official 001 – Phone A] Chat+: [NIS Official 001 – Phone A]					11895		2026-03-24 11 02:08					2026-2572_1_SM-5931N_FullFiles ystem_20260414
Phone	Active	[NIS Official 002 (Investigator, NCSC)]				Mobile: [NIS Official 002 – Phone A]			기본 연락처 : [NIS Official 002 – Phone A]	Main Contact: [NIS Official 002 – Phone A]	11921		2026-03-22 11:13:35					2026-2572_1_SM-5931N_FullFiles ystem_20260414
Phone	Active	[NIS Official 002 (Investigator, NCSC) – China]				Mobile: [NIS Official 002 – Phone B (Korea)]					12031		2025-12-17 15:52:39					2026-2572_1_SM-5931N_FullFiles ystem_20260414
Phone	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]				Office: [NIS Official 001 – Office Phone] KakaoTalk: [NIS Official 001 – Phone A] Mobile: [NIS Official 001 – Phone A]	기타 : [NIS Official 001 – Govt. Email]	Other: [NIS Official 001 – Govt. Email]	조직 : 회사- 국가사이버안보센터, 직책: 조사과장 기본 연락처 : [NIS Official 001 – Office Phone]	Organization: Company: National Cyber Security Center, Position: Head of Investigation Primary Contact: [NIS Official 001 – Office Phone]	11916		2026-03-24 11 02:09		[REDACTED – Email]	My Contacts Remember		2026-2572_1_SM-5931N_FullFiles ystem_20260414
Phone	Active	[NIS Official 003 (Director, Investigation Bureau, NCSC)]				Mobile: [NIS Official 003 – Phone]			조직 : 회사- 국가사이버안보센터, 직책: 조사국장 주소 :	Organization: Company: National Cyber Security Center, Position: Director of Investigation Address:	11917		2026-03-24 11 02:08		[REDACTED – Email]	Remember My Contacts		2026-2572_1_SM-5931N_FullFiles ystem_20260414
Phone	Active	[NIS Official 001 (Investigation Section Chief, NCSC) – China]				Mobile: [NIS Official 001 – Phone B (Korea)]					12032		2025-12-18 20:47:37					2026-2572_1_SM-5931N_FullFiles ystem_20260414
Phone	Delete	[NIS Official 001 (Investigation Section Chief, NCSC) – China]				Mobile: [NIS Official 001 – Phone B (Korea)]					13579							2026-2572_1_SM-5931N_FullFiles ystem_20260414
Phone	Delete	[NIS Official 002 (Investigator, NCSC) – China]				Mobile: [NIS Official 002 – Phone B (Korea)]					13545							2026-2572_1_SM-5931N_FullFiles ystem_20260414
Phone	Delete	[NIS Official 002 (Investigator, NCSC)]				Mobile: [NIS Official 002 – Phone A] Office: [NIS Official 002 – Office Phone]	[NIS Official 002 – Govt. Email]	[NIS Official 002 – Govt. Email]	조직 : 회사- 국가사이버안보센터, 직책: 주소 :	Organization: Company: National Cyber Security Center, Position: Address:	11995				[REDACTED – Email]	Remember My Contacts		2026-2572_1_SM-5931N_FullFiles ystem_20260414
Phone	Reference	[NIS Official 002 (Investigator, NCSC)]				[NIS Official 002 – Phone A]												2026-2572_1_SM-5931N_FullFiles ystem_20260414
KakaoPay	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]							프로필 이미지 URL : [REDACTED – Profile image URL]	Profile Image URL: [REDACTED – Profile image URL]								2026-2572_1_SM-5931N_FullFiles ystem_20260414
KakaoPay	Active	[NIS Official 003 (Director, Investigation Bureau, NCSC)]																2026-2572_1_SM-5931N_FullFiles ystem_20260414
KakaoTalk	Active	[NIS Official 003 (Director, Investigation Bureau, NCSC)]		[NIS Official 003 (Director, Investigation Bureau, NCSC)]	[NIS Official 003 (Director, Investigation Bureau, NCSC)]	[NIS Official 003 – Phone]					51991102				[REDACTED – Phone Number]			2026-2572_1_SM-5931N_FullFiles ystem_20260414
KakaoTalk	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]		[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]			프로필 이미지 URL : [REDACTED – Profile image URL]	Profile Image URL: [REDACTED – Profile image URL]	2428869				[REDACTED – Phone Number]			2026-2572_1_SM-5931N_FullFiles ystem_20260414
CMH Provider	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]									11895			2026-03-13 09:40:10				2026-2572_1_SM-5931N_FullFiles ystem_20260414
CMH Provider	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]									11916			2026-03-18 01:57:38				2026-2572_1_SM-5931N_FullFiles ystem_20260414
CMH Provider	Active	[NIS Official 003 (Director, Investigation Bureau, NCSC)]									11917			2026-03-18 01:57:38				2026-2572_1_SM-5931N_FullFiles ystem_20260414
CMH Provider	Active	[NIS Official 002 (Investigator, NCSC) – China]									12031			2025-12-17 15:52:39				2026-2572_1_SM-5931N_FullFiles ystem_20260414
CMH Provider	Active	[NIS Official 001 (Investigation Section Chief, NCSC) – China]									12032			2025-12-18 20:47:37				2026-2572_1_SM-5931N_FullFiles ystem_20260414
CMH Provider	Active	[NIS Official 002 (Investigator, NCSC)]									11921			2026-03-18 01:57:38				2026-2572_1_SM-5931N_FullFiles ystem_20260414
Google Meet	Active	[NIS Official 002 (Investigator, NCSC) – China]				[NIS Official 002 – Phone B (Korea)] [NIS Official 002 – Phone B (China)]					12071							2026-2572_1_SM-5931N_FullFiles ystem_20260414
Google Meet	Active	[NIS Official 001 (Investigation Section Chief, NCSC) – China]				[NIS Official 001 – Phone B (Korea)] [NIS Official 001 – Phone B (China)]					12072							2026-2572_1_SM-5931N_FullFiles ystem_20260414
Google Meet	Active	[NIS Official 002 (Investigator, NCSC)]				[NIS Official 002 – Phone A] [NIS Official 002 – Office Phone]	[NIS Official 002 – Govt. Email]	[NIS Official 002 – Govt. Email]			11956							2026-2572_1_SM-5931N_FullFiles ystem_20260414
Google Meet	Active	[NIS Official 003 (Director, Investigation Bureau, NCSC)]				[NIS Official 003 – Phone]					11951							2026-2572_1_SM-5931N_FullFiles ystem_20260414

Google Meet	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]				[NIS Official 001 – Office Phone] [NIS Official 001 – Phone A]	[NIS Official 001 – Govt. Email]	[NIS Official 001 – Govt. Email]		11950									2026-2572_1_SM-5931N_FullFiles ystem_20260414
Google Meet	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]				[NIS Official 001 – Phone A]				11929									2026-2572_1_SM-5931N_FullFiles ystem_20260414
Google Play Services	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]				Work: [NIS Official 001 – Office Phone] Mobile: [NIS Official 001 – Phone A]	기타 : [NIS Official 001 – Govt. Email]	Other: [NIS Official 001 – Govt. Email]	조직 : 조사과장, 국가사이버안보센터	Organization: Head of Investigation Division, National Cyber Security Center	11950								2026-2572_1_SM-5931N_FullFiles ystem_20260414
Google Play Services	Active	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 (Investigator, NCSC)]			Mobile: [NIS Official 002 – Phone A] Work: [NIS Official 002 – Office Phone]	맞춤설정 : [NIS Official 002 – Govt. Email]	Customization: [NIS Official 002 – Govt. Email]	조직 : , 국가사이버안보센터 주소 :	Organization : , National Cyber Security Center Address:	11956								2026-2572_1_SM-5931N_FullFiles ystem_20260414
Google Play Services	Active	[NIS Official 003 (Director, Investigation Bureau, NCSC)]				Mobile: [NIS Official 003 – Phone]			조직 : 조사과장, 국가사이버안보센터 주소 :	Organization: Director of the Investigation Bureau, National Cyber Security Center Address:	11951								2026-2572_1_SM-5931N_FullFiles ystem_20260414
Google Play Services	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]				Mobile: [NIS Official 001 – Phone A]					11929								2026-2572_1_SM-5931N_FullFiles ystem_20260414
Google Play Services	Active	[NIS Official 002 (Investigator, NCSC) – China]				Mobile: [NIS Official 002 – Phone B (Korea)]					12071								2026-2572_1_SM-5931N_FullFiles ystem_20260414
Google Play Services	Active	[NIS Official 001 (Investigation Section Chief, NCSC) – China]				Mobile: [NIS Official 001 – Phone B (Korea)]					12072								2026-2572_1_SM-5931N_FullFiles ystem_20260414
Remember	Active	[NIS Official 002 (Investigator, NCSC)]				Mobile: [NIS Official 002 – Phone A] Home: [NIS Official 002 – Office Phone]	[NIS Official 002 – Govt. Email]	[NIS Official 002 – Govt. Email]	회사 : 국가사이버안보센터 영향 앞면 : [REDACTED – Profile Image URL] 영향 뒷면 : [REDACTED – Profile Image URL]	Company: National Cyber Security Center Front of Business Card: [REDACTED – Profile Image URL] Back of business card: [REDACTED – Profile Image URL]		2025-12-14 01:28:11	2025-12-14 01:28:11					2026-2572_1_SM-5931N_FullFiles ystem_20260414	
Remember	Active	[NIS Official 003 (Director, Investigation Bureau, NCSC)]				Mobile: [NIS Official 003 – Phone]			회사 : 국가사이버안보센터 직책 : 조사과장 영향 앞면 : [REDACTED – Profile Image URL] 영향 뒷면 : [REDACTED – Profile Image URL]	Company: National Cyber Security Center Position: Director of the Investigation Bureau Front of business card: [REDACTED – Profile Image URL] Back of Business Card: [REDACTED – Profile Image URL]		2025-12-02 18:33:38	2025-12-02 18:33:38					2026-2572_1_SM-5931N_FullFiles ystem_20260414	
Remember	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]				Home: [NIS Official 001 – Office Phone]	[NIS Official 001 – Govt. Email]	[NIS Official 001 – Govt. Email]	회사 : 국가사이버안보센터 직책 : 조사과장 영향 앞면 : [REDACTED – Profile Image URL] 영향 뒷면 : [REDACTED – Profile Image URL]	Company: National Cyber Security Center Position: Head of Investigation Front of business card: [REDACTED – Profile Image URL] Back of Business Card: [REDACTED – Profile Image URL]		2025-12-02 18:33:17	2025-12-02 18:33:17					2026-2572_1_SM-5931N_FullFiles ystem_20260414	
Signal	Active	[NIS Official 002 (Investigator, NCSC) – China]	[NIS Official 002 (Investigator, NCSC) – China]	[NIS Official 002 (Investigator, NCSC) – China]	[NIS Official 002 – Phone B (Korea)]						04b19143-cadb-4959-82fe-7047cbbf87bb				2026-03-18 01:57:54			2026-2572_1_SM-5931N_FullFiles ystem_20260414	
Signal	Active	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 – Phone B (Korea)]						b1987002-69f9-4303-bd1d-36137634de25				2026-01-02 00:11:07			2026-2572_1_SM-5931N_FullFiles ystem_20260414	
IMS Service	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]				[NIS Official 001 – Office Phone]					11950		2025-12-02 18:33:59				MCC: 450 (Republic of Korea) MNC: 005 (SK Telecom Co., Ltd.)		2026-2572_1_SM-5931N_FullFiles ystem_20260414
IMS Service	Active	[NIS Official 003 (Director, investigation Bureau, NCSC)]				[NIS Official 003 – Phone]					11951		2026-01-17 20:29:12				MCC: 450 (Republic of Korea) MNC: 008 (KT Freetel Co. Ltd.)		2026-2572_1_SM-5931N_FullFiles ystem_20260414
IMS Service	Active	[NIS Official 002 (Investigator, NCSC)]				[NIS Official 002 – Office Phone]					11956		2026-01-04 22:59:16						2026-2572_1_SM-5931N_FullFiles ystem_20260414
IMS Service	Active	[NIS Official 002 (Investigator, NCSC)]				[NIS Official 002 – Phone A]					11956		2026-01-17 20:28:42						2026-2572_1_SM-5931N_FullFiles ystem_20260414
IMS Service	Active	[NIS Official 001 (Investigation Section Chief, NCSC)]				[NIS Official 001 – Phone A]					11950		2026-01-17 20:28:11				Status: Chat+ available		2026-2572_1_SM-5931N_FullFiles ystem_20260414
IMS Service	Active	[NIS Official 002 (Investigator, NCSC) – China]				[NIS Official 002 – Phone B (Korea)]					12071		2026-01-17 20:28:42				MCC: 450 (Republic of Korea) MNC: 005 (SK Telecom Co., Ltd.)		2026-2572_1_SM-5931N_FullFiles ystem_20260414
IMS Service	Active	[NIS Official 001 (Investigation Section Chief, NCSC) – China]				[NIS Official 001 – Phone B (Korea)]					12072		2026-01-17 20:28:42				MCC: 450 (Republic of Korea) MNC: 008 (KT Freetel Co. Ltd.)		2026-2572_1_SM-5931N_FullFiles ystem_20260414
IMS Service	Delete	[NIS Official 003 (Director, investigation Bureau, NCSC)]				[NIS Official 003 – Phone]					11951		2026-01-03 20:13:29						2026-2572_1_SM-5931N_FullFiles ystem_20260414
IMS Service	Delete	[NIS Official 002 (Investigator, NCSC) – China]				[NIS Official 002 – Phone B (Korea)]					12071		2026-01-03 20:12:58						2026-2572_1_SM-5931N_FullFiles ystem_20260414
IMS Service	Delete	[NIS Official 001 (Investigation Section Chief, NCSC) – China]				[NIS Official 001 – Phone B (Korea)]					12072		2026-01-03 20:12:58				Status: Chat+ available		2026-2572_1_SM-5931N_FullFiles ystem_20260414
IMS Service	Delete	[NIS Official 001 (Investigation Section Chief, NCSC) – China]				[NIS Official 001 – Phone B (Korea)]					12072		2026-01-17 20:28:42						2026-2572_1_SM-5931N_FullFiles ystem_20260414
IMS Service	Delete	[NIS Official 001 (Investigation Section Chief, NCSC)]				[NIS Official 001 – Office Phone]					11950		2025-12-02 18:33:59						2026-2572_1_SM-5931N_FullFiles ystem_20260414

Appendix 1271

CONFIDENTIAL TREATMENT REQUESTED | NOT FOR DISTRIBUTION | MEMBERS & STAFF ONLY

Call Log

App	Status	Type	Name	Contacts	Creation Date	Total Call Duration	Chat Room	Location	Account	Remarks	Evidence
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-01 14:43:40	00:02:51	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-01 15:57:58	00:00:19	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-01 16:03:07	00:00:11	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-01 19:20:03	00:01:31	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-01 19:26:35	00:03:03	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-01 19:34:55	00:09:16	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Reject	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 10:09:21		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 10:56:58	00:02:34	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 12:49:54		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 12:50:28	00:00:54	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 13:14:56	00:04:54	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 13:59:11	00:00:56	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 15:23:46	00:02:34	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 18:20:26	00:01:06	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 18:29:17	00:00:26	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 19:20:29		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 19:20:43		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-02 19:21:51	00:00:14	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 09:32:12	00:01:56	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Reject	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 09:58:21		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 10:32:12		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 10:39:55	00:01:20	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 11:44:47	00:03:45	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 14:31:08	00:01:21	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 15:04:10	00:00:32	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 15:24:32	00:00:20	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 15:32:05	00:00:11	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 18:53:59	00:01:07	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 20:19:36	00:01:24	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 20:24:26	00:00:14	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-03 21:09:16	00:06:38	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-04 10:02:34	00:07:37	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-04 13:01:04	00:06:52	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-04 13:25:26	00:01:03	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-05 13:04:40		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Missed	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-05 13:09:13		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-05 13:10:07	00:00:47	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-05 15:35:46	00:02:25	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-05 15:47:46	00:00:33	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-05 15:54:57		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-05 18:09:12	00:01:26	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-05 18:12:32	00:00:47	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-05 21:04:18	00:03:56	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-05 21:15:48	00:01:47	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-06 15:29:31		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-06 15:36:56	00:02:27	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-06 15:51:41	00:00:17	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-06 16:25:46	00:01:07	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-06 16:54:49	00:02:55	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-06 17:16:14	00:03:22	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-06 17:26:48	00:04:33	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-06 17:38:36	00:07:03	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-06 17:55:34	00:03:09	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-06 18:40:44		[NIS Official 002 – Phone]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-06 18:48:46		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-06 18:51:38	00:02:48	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-06 18:57:43	00:16:52	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-07 13:51:58		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-07 13:56:50	00:12:07	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-08 11:18:36	00:02:21	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-08 14:14:39		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-08 14:16:45	00:12:05	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-08 15:26:57	00:10:41	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Missed	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-08 16:09:32		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-08 17:45:04	00:05:19	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-08 17:55:14	00:03:01	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-08 19:58:57	00:03:05	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-08 20:02:12	00:02:15	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 10:39:24	00:00:12	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 11:21:28	00:01:19	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 11:41:27		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 11:43:41	00:01:36	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 12:26:25	00:00:19	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 12:27:56	00:00:16	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 12:42:01	00:00:21	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 15:43:11	00:00:22	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 15:52:37	00:02:30	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 16:53:40	00:01:46	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 18:35:09		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Deleted	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-09 18:35:38		[NIS Official 002 – Phone		[Device Owner – Phone]		2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 18:37:38	00:00:31	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-09 19:24:52	00:01:01	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-09 19:54:21	00:00:20	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-10 14:47:38	00:00:14	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-10 16:02:05	00:03:41	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-10 16:35:15	00:02:02	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-10 16:50:11	00:01:47	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-11 09:52:43	00:01:15	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Reject	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-11 12:52:47		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-11 12:56:51	00:00:35	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-11 13:14:11	00:04:04	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-11 13:21:20	00:01:11	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-11 14:05:32	00:00:56	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] File path: /media/0/Recordings/Call/Call Recording Brother [NIS Official 002 (Investigator, NCSC)]_251211_140647.m4a SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Missed	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-11 14:20:22		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-11 14:27:50	00:03:09	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-11 16:53:01	00:00:44	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-11 17:00:50	00:00:32	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-11 17:15:18		[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-11 17:19:49	00:00:07	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-11 17:23:39	00:01:00	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-11 17:30:11	00:01:02	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-11 18:11:52		[NIS Official 002 – Phone]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-11 18:36:43	00:00:34	[NIS Official 002 – Phone]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-12 16:09:18		[NIS Official 002 – Phone]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-12 18:49:11	00:11:29	[NIS Official 002 – Phone]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-13 16:51:13	00:04:45	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-13 18:38:02	00:00:18	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-13 18:38:43	00:00:14	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-13 18:40:12	00:08:35	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-13 18:49:38	00:04:39	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-13 19:31:25	00:02:11	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-13 19:37:08		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-13 19:42:30	00:01:23	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-13 19:45:46	00:02:24	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-14 09:30:25	00:02:13	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-14 09:32:59	00:03:19	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-14 10:12:43	00:00:48	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-14 13:52:00	00:12:45	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-14 14:04:58	00:04:35	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-14 14:25:43	00:06:09	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-14 14:49:41	00:01:15	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-14 14:53:45	00:03:42	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-14 15:21:05	00:08:35	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-14 15:36:12	00:03:51	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-14 15:43:42	00:01:43	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-14 16:08:33	00:08:36	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-14 16:30:27		[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-14 16:34:02	00:06:10	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-14 16:40:22	00:00:52	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-15 10:13:55	00:18:35	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-15 13:56:12	00:01:57	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-15 13:58:45	00:01:11	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-15 14:00:25	00:00:37	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-15 14:05:10	00:01:25	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-15 15:16:26	00:00:46	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-15 18:38:13	00:07:48	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-15 21:10:54	00:01:33	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-16 08:43:13	00:03:27	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-16 09:08:08	00:00:32	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-16 09:10:59	00:06:53	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-16 09:56:27	00:01:20	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Missed	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-16 10:20:55		[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-16 10:23:19	00:00:39	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-16 10:27:09		[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-16 11:30:22	00:00:18	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-16 13:52:20	00:01:00	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-16 13:53:37	00:00:52	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-16 14:34:23	00:00:11	[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 14:35:04	00:00:24	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Receive MMS	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 15:10:00		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID]	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	SMS Sent	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 15:12:11		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID]	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 15:35:00		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 15:35:40		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 15:37:45	00:00:23	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 15:38:20	00:00:08	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 15:42:24	00:00:32	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 15:44:13	00:00:01	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-16 15:44:20	00:00:30	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-16 16:37:33		[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone A]	2025-12-16 16:55:06		[NIS Official 001 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-16 16:55:15	00:00:16	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-16 17:14:39	00:01:16	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-16 17:25:59	00:00:05	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-16 17:31:32	00:01:12	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-16 17:33:39	00:00:15	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 17:35:38	00:00:06	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 18:43:35	00:00:29	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-16 19:00:13	00:00:16	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 19:05:54	00:27:04	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 19:44:35		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 19:51:46	00:08:11	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 20:02:37	00:03:30	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 20:16:36	00:13:35	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 20:30:29	00:02:50	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 20:55:42	00:04:01	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Reject	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 21:09:53		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 21:15:29	00:02:36	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 21:18:21	00:03:57	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 21:45:05		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 21:45:43		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 21:46:03	00:04:50	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 21:50:57		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 21:51:50	00:01:59	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 21:55:06	00:11:30	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 22:06:54	00:00:40	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-16 22:11:02	00:01:21	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-17 09:17:17	00:00:49	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-17 10:28:18		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 – Phone B (Korea)]	2025-12-17 11:02:54	00:01:02	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Missed	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 10:57:50		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC) – China]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 10:59:22	00:04:39	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 12:02:46	00:03:53	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 12:09:58	00:06:00	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 12:20:14	00:01:50	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 12:46:43	00:00:32	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 13:17:49	00:03:56	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 14:27:53	00:00:49	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 14:35:10	00:00:23	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 14:36:26		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 14:51:37	00:03:39	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 15:01:27	00:01:30	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 15:38:22	00:02:24	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 18:55:06	00:19:08	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 19:14:29		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 19:21:14	00:00:06	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 19:23:46	00:09:28	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 19:47:44	00:03:25	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 20:50:43	00:02:12	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 21:30:47	00:04:27	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-20 21:39:14	00:07:02	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Missed	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 09:31:59		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 10:19:35	00:00:40	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 11:47:00	00:00:12	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 12:31:43	00:00:39	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 12:38:00	00:00:09	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 14:42:07	00:03:33	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 14:46:41	00:01:58	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 14:53:04	00:02:16	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 16:02:04	00:01:02	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 17:56:47	00:01:30	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 19:05:23	00:05:28	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 20:37:40	00:10:20	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 20:48:16	00:03:12	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 21:05:30	00:04:02	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 21:14:40	00:00:46	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 21:32:33		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 21:33:04	00:00:43	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 21:52:34	00:00:21	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 22:16:27	00:00:23	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-21 22:24:56		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-22 14:26:06	00:02:04	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-22 20:06:08	00:06:28	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-22 20:12:57	00:00:23	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone A]	2025-12-23 09:59:29	00:00:12	[NIS Official 002 – Phone	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-23 11:16:24	00:00:08	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-23 12:58:43		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-23 19:35:18		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-23 21:23:00	00:03:17	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-23 21:34:22		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-24 18:52:11		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-24 20:31:16		[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Received	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-24 20:33:56	00:10:30	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414
Phone	Active	Sent	[NIS Official 002 (Investigator, NCSC)]	[NIS Official 001 – Phone B (Korea)]	2025-12-24 20:54:26	00:05:38	[NIS Official 001 – Phone B (Korea)]	KR (South Korea)	[Device Owner – Phone]	ICCID: [REDACTED – ICCID] SIM Slot: 0	2026-2572_1_SM-S931N_FullFilesystem_20260414

Messages

App	Status	Type	Subject	Content	▶Translation	Chat Room	Group	Recipient	Recipient Number	Caller	Caller's number	Caller	Caller's number	Creation Date	Time of call	Unrea d	Attache ments	▶Translation	Message ID	IMSI	Remarks	Evidence		
Signal	Active	System Message		[Redacted – Coupang Employee] Legal and [REDACTED – COUPANG EMPLOYEE] / Policy added you to a group.	[Redacted – Coupang Employee] Legal and [REDACTED – COUPANG EMPLOYEE] / Policy added you to a group.	240	O							2025-12-01 14:13:03		O			1764565983569			2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Signal	Active	System Message		사라지는 메시지 시간 설정: 1 day	Disappearing message time setting: 1 day	240	O							2025-12-01 14:13:35		O			1764566015854			2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From		과장님, 잘 부탁드립니다. 정말 잘 물어보고 싶습니다.	Manager, I appreciate your help. I really want to get to the bottom of this.	d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-01 20:47:05	2025-12-01 20:47:07					[REDACTED – IMSI]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From		회의중입니다. 끝나는대로 연락드리겠습니다.	I'm in a meeting right now. I'll contact you as soon as it's over.	d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-02 10:09:25	2025-12-02 10:09:27					[REDACTED – IMSI]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From		FAX : [REDACTED - PI]	FAX: [REDACTED - PI]	d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-02 12:49:28	2025-12-02 12:49:31					[REDACTED – IMSI]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From		넵 감사합니다.	Yes, thank you.	d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-02 18:39:26	2025-12-02 18:39:27					[REDACTED – IMSI]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Signal	Active	System Message		사라지는 메시지 시간 설정: 8 hours	Self-destructing message time setting: 8 hours	240	O							2025-12-04 02:23:01		O			1764782581907			2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From		감사합니다.	Thank you.	d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-05 18:56:55	2025-12-05 18:56:56					[REDACTED – IMSI]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From		넵 과장님, 잘 알겠습니다. 조금있다가 전화 드리겠습니다.	Yes, Manager. I understand. I'll give you a call shortly.	d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-08 16:19:36	2025-12-08 16:19:38					[REDACTED – IMSI]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Signal	Active	System Message		[Redacted – Coupang Employee] added [Redacted – Coupang Employee] to a group.	[Redacted – Coupang Employee] added [Redacted – Coupang Employee] to a group.	240	O							2025-12-10 07:33:00		O			1765319580534			2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From	Photos			d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-15 13:58:35	2025-12-15 13:58:40					[REDACTED – IMSI]	File name: signal-2025-12-15-12-18-18-488_PCBUNBHGPHHEBFBEBAHBIJ.jpg File size: 632,778 bytes	2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From	Photos			d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-15 13:58:35	2025-12-15 13:58:40					[REDACTED – IMSI]	File name: signal-2025-12-15-12-16-30-049_QCRASHGPHHEBFBEBCHEGIGGD.jpg File size: 695,546 bytes	2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From		[REDACTED - PI]라고 단정할 수는 없고 적어도 행위자와 동일인이라는 것을 유추하게 된 그 근거를 확인해서 알려주기로 했습니다	We cannot definitively conclude that this is [REDACTED - PI], but we agreed to verify and share the grounds that led us to infer that the sender is at least the same person as the perpetrator.	d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-15 14:12:01	2025-12-15 14:12 04					[REDACTED – IMSI]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From		과장님 죄송합니다. 팩트는 "실제 알지 못하는 말수 없으나 행위자와 동일인이라고 주장하는 자의 이메일이 접수되어 공유하는 것"	I'm sorry, Manager. The fact is, "While we cannot confirm whether they actually match, we are sharing this because we received an email from someone claiming to be the same person as the perpetrator."	d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-15 14:24:05	2025-12-15 14:24 07					[REDACTED – IMSI]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From		넵한시간 후 도착합니다.	Yes, will arrive in about an hour.	d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-16 10:20:42	2025-12-16 10:20:44					[REDACTED – IMSI]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
IMS Service	Active	From		넵 감사합니다.	Yes, thank you.	d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-16 10:45:01	2025-12-16 10:45:03					[REDACTED – IMSI]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Phone	Active	Received	Hello, Director Oh	이사님 안녕하십니까! 오늘 식사 같이했던 [REDACTED - PI] 조사관입니다.	Hello, Director! This is Investigator [REDACTED - PI], who had lunch with you today.	[NIS Official 001 – Phone B (Korea)]				[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (China)]			2025-12-16 15:10:00					2626	ICCID: [REDACTED – ICCID]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Messages	Active	Received	Hello, Director Oh	저희 항공편 예약했습니다! 이사님 안녕하십니까! 오늘 식사 같이했던 [REDACTED - PI] 조사관입니다. 저희 항공편 예약했습니다! 부킹닷컴에서 아시아항공+ 중국동방항공 오전 11시 05분 출발, 오후 14시 25분 도착 항공편입니다. 감사합니다!!	We've booked our flight! Hello, Director! This is Investigator [REDACTED - PI], who had lunch with you today. I've booked our flight! On Booking.com: Asiana Airlines + China Eastern Airlines Departure at 11:05 AM, arrival at 2:25 PM. Thank you!!	1103				[NIS Official 001 (Investigation Section Chief, NCSC)]	[NIS Official 001 – Phone B (China)]			2025-12-16 15:10:00	2025-12-16 15:09:57					2626	[REDACTED – IMSI]	SIM Slot: 0		2026-2572_1_SM-5931N_Fullfilessystem_20260414
Phone	Active	From		감사합니다.	Thank you.	[NIS Official 001 – Phone B (Korea)]				[NIS Official 001 (Investigation Section Chief, NCSC)] – China	[NIS Official 001 – Phone B (Korea)]			2025-12-16 15:12:11					9856	ICCID: [REDACTED – ICCID]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Messages	Active	Last message		감사합니다.	Thank you.	1103					[NIS Official 001 (Investigation Section Chief, NCSC)] – China	[NIS Official 001 – Phone B (Korea)]	2025-12-16 15:12:11									2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Messages	Active	From		감사합니다.	Thank you.	1103					[NIS Official 001 (Investigation Section Chief, NCSC)] – China	[NIS Official 001 – Phone B (Korea)]	2025-12-16 15:12:11						9856	[REDACTED – IMSI]	SIM Slot: 0		2026-2572_1_SM-5931N_Fullfilessystem_20260414	
IMS Service	Active	From		이런 핸드아웃 결과입니다	This is the Mandiant report	d821909fbc2a37c216bb648f2a507c45ada4a5a		[NIS Official 001 (Investigation Section Chief, NCSC)]						2025-12-16 17:35:24	2025-12-16 17:35:26					[REDACTED – IMSI]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Messages	Active	Last message		[NIS Official 002 – Phone B (Korea)]	[NIS Official 002 – Phone B (Korea)]	1108					[NIS Official 002 (Investigator, NCSC) – China]	[NIS Official 002 – Phone B (Korea)]	2025-12-17 10:57:24								Features: Chat+		2026-2572_1_SM-5931N_Fullfilessystem_20260414	
Messages	Active	Received		[NIS Official 002 – Phone B (Korea)]	[NIS Official 002 – Phone B (Korea)]	1108					[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone B (China)]	2025-12-17 10:57:24	2025-12-17 10:57:24					396	[REDACTED – IMSI]	Features: Chat+ SIM Slot: 0		2026-2572_1_SM-5931N_Fullfilessystem_20260414	
Phone	Active	From		[NIS Official 002 (Investigator, NCSC)]?	[NIS Official 002 (Investigator, NCSC)]?	[NIS Official 002 – Phone B (Korea)]		[NIS Official 002 (Investigator, NCSC) – China]						2025-12-17 11:00:03					9884	ICCID: [REDACTED – ICCID]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Messages	Active	From		[NIS Official 002 (Investigator, NCSC)]?	[NIS Official 002 (Investigator, NCSC)]?	1108					[NIS Official 002 (Investigator, NCSC) – China]	[NIS Official 002 – Phone B (Korea)]	2025-12-17 11:00:03						9884	[REDACTED – IMSI]	SIM Slot: 0		2026-2572_1_SM-5931N_Fullfilessystem_20260414	
Phone	Active	Received		o o	Yeah	[NIS Official 002 – Phone B (Korea)]					[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone B (China)]	2025-12-17 11:00:19						9885	ICCID: [REDACTED – ICCID]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Messages	Active	Received		o o	Yeah	1108					[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone B (China)]	2025-12-17 11:00:19	2025-12-17 11:00:18					9885	[REDACTED – IMSI]	SIM Slot: 0		2026-2572_1_SM-5931N_Fullfilessystem_20260414	
Phone	Active	Received		저장해줘요	Please save this	[NIS Official 002 – Phone B (Korea)]					[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone B (China)]	2025-12-17 11:00:27						9886	ICCID: [REDACTED – ICCID]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Messages	Active	Received		저장해줘요	Please save this	1108					[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone B (China)]	2025-12-17 11:00:27	2025-12-17 11:00:26					9886	[REDACTED – IMSI]	SIM Slot: 0		2026-2572_1_SM-5931N_Fullfilessystem_20260414	
Messages	Active	From	Photos			1108					[NIS Official 002 (Investigator, NCSC) – China]	[NIS Official 002 – Phone B (Korea)]	2025-12-17 11:00:34				[Redacted ACP]	[Redacted ACP]	2645	[REDACTED – IMSI]	File path: /user_de/0/com.android.providers.telephony/app_parts/PART_1765936833466_Resized_signal-2025-12-17-10-57-58-573.jpeg SIM Slot: 0		2026-2572_1_SM-5931N_Fullfilessystem_20260414	
Phone	Active	From		택시타고 이리로 오십시오	Take a taxi and come over here	[NIS Official 002 – Phone B (Korea)]		[NIS Official 002 (Investigator, NCSC) – China]						2025-12-17 11:00:43					9887	ICCID: [REDACTED – ICCID]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Messages	Active	From		택시타고 이리로 오십시오	Take a taxi and come over here	1108					[NIS Official 002 (Investigator, NCSC) – China]	[NIS Official 002 – Phone B (Korea)]	2025-12-17 11:00:43						9887	[REDACTED – IMSI]	SIM Slot: 0		2026-2572_1_SM-5931N_Fullfilessystem_20260414	
Phone	Active	From		내려서 전화통화하십시오	Get out and call me	[NIS Official 002 – Phone B (Korea)]		[NIS Official 002 (Investigator, NCSC) – China]						2025-12-17 11:00:51					9888	ICCID: [REDACTED – ICCID]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		
Messages	Active	From		내려서 전화통화하십시오	Let's have a call once out	1108					[NIS Official 002 (Investigator, NCSC) – China]	[NIS Official 002 – Phone B (Korea)]	2025-12-17 11:00:51						9888	[REDACTED – IMSI]	SIM Slot: 0		2026-2572_1_SM-5931N_Fullfilessystem_20260414	
Phone	Active	Received		우리 30분 연락 위치가서 연락할게요 먼저 이동	We're running 30 minutes late. I'll contact you once I arrive at the location. I'll head there first.	[NIS Official 002 – Phone B (Korea)]					[NIS Official 002 (Investigator, NCSC)]	[NIS Official 002 – Phone B (China)]	2025-12-17 15:34:06						9889	ICCID: [REDACTED – ICCID]		2026-2572_1_SM-5931N_Fullfilessystem_20260414		

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Notes

App	Statu	Attribute	Categor	Content	►Translation	Creation Date	Modified Date	Delete Date	Note ID	Remarks	Evidence
Samsung Notes	Active	Trash		[Redacted ACP]	[Redacted ACP]	2025-12-06 17:26:47	2025-12-07 21:36:32	2025-12-17 13:17:05	37b506d5-9874-0adf-0000-019af2c39fb3	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1765009498073.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Delet e		No Category	[Redacted ACP]	[Redacted ACP]	2025-12-06 17:26:47	2025-12-07 21:36:32		37b506d5-9874-0adf-0000-019af2c39fb3	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1765009498073.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Active	Trash		협상 : 혹시 우리가 이것을 시도하는게 가능할까요? 1. 쿠팡과 용의자가 대화를 시도해서 다음의 내용을 설득한다. (우리가 용의자와 대화한 사실은 경찰에게 공유하지 않는다.) 2. 용의자가 쿠팡 법무팀에 이메일을 보낸다. - "나는 기꺼이 쿠팡의 조사에 협조할 것이며 노트북의 제공과 기술 분석에 협조할 의사가 있다. 또한 나는 기꺼이 쿠팡과 중국에서 만날 수 있다." (이부분 부터 경찰에 공유한다.)	Negotiation: Is it possible for us to try this? 1. Coupang and the suspect attempt to communicate to persuade him of the following points. (We will not share the fact that we spoke with the suspect with the police.) 2. The suspect sends an email to Coupang's legal team. - "I am willing to cooperate with Coupang's investigation and am willing to provide the laptop and assist with technical analysis. I am also willing to meet with Coupang in China." (We will share this part with the police.)	2025-12-09 13:28:25	2025-12-09 13:47:47	2025-12-17 13:17:05	37b506d5-9874-0adf-0000-019b015c88b2	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1765254400198.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Active	Trash		단톡방에 법무팀에서 문자, 이멜보냈다는데 누가 전달좀 해주세요. 접선 이뤄질경우 너 이상접속 한거 없어? 라고 물어보기 (애 이상접속한적 있는데 개인정보 가져나간적 없다. 12-02 12-03사이경 대화)	The legal team sent a text and email to the group chat—could someone please forward it? If contact is made, ask, "Did you have any suspicious logins?" (He had a suspicious login once, but no personal information was taken. Conversation took place between Dec. 2 and Dec.	2025-12-09 20:16:58	2025-12-10 14:05:47	2025-12-17 13:17:05	37b506d5-9874-0adf-0000-019b02d331d5	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1765278953962.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Active	Trash		그의 경력 산업스파이로 의심되는 과거 경력, 활동 없음 중국, 북한 정부에 협조하는 활동 그외 해당 정보기관이 설립한 기업에 소속되거나 가담한 적 없음. 범죄경력 등에 있어서도 특이사항 없음. 범죄 패턴 : 중국, 북한 정부 소속 해커 수법, IP패턴과 다름. 침입 방식이 조합해서 전형적인 아마추어 개인 해커의 방식. 배후에 또다른 조력자가 없다고 잠정 결론 * DB 스키마 요청 : 국정원장 보고자료 작성--> 분석보고서는 작전실행에 반드시 필요한 절차(보고 결과에 따라 대통령 직보될 수 있음) 그의 활동 주소지에 기거 하고	His Background No past history or activities suspected of industrial espionage. No activities cooperating with the Chinese or North Korean governments. No affiliation with or involvement in companies established by relevant intelligence agencies. No notable criminal history. Criminal Pattern: Differs from the hacking methods and IP patterns typically used by hackers affiliated with the Chinese or North Korean governments. The intrusion method is crude, typical of an amateur individual hacker. Preliminary conclusion: no other accomplices are believed to be involved. * DB schema request: Preparation of a report for the Director of the National Intelligence Service → The analysis report is a mandatory procedure for operational execution (may be reported directly to the President depending on the results). His activities Residing at his registered address	2025-12-10 23:32:49	2025-12-11 16:11:38	2025-12-17 13:17:05	37b506d5-9874-0adf-0000-019b08ac2274	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1765377057421.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414

Samsung Notes	Delete		No Category	그의 경력 산업스파이로 의심되는 과거 경력, 활동 없음 중국, 북한 정부에 협조하는 활동 그외 해당 정보기관이 설립한 기업에 소속되거나 가담한 적 없음 범죄경력 등에 있어서도 특이사항 없음. 범죄 패턴 : 중국, 북한 정부 소속 해커 수법, IP패턴과 다름. 침입 방식이 조합해서 전형적인 아마추어 개인 해커의 방식. 배후에 또 다른 조력자가 없다고 잠정 결론 * DB 스키마 요청 : 국정원장 보고자료 작성~》 분석보고서는 작전실행에 반드시 필요한 절차(보고 결과에 따라 대통령 직보될 수 있음) 그의 활동 주소지에 기거 하고	His Background No past history or activities suspected of industrial espionage. No activities cooperating with the Chinese or North Korean governments. No affiliation with or involvement in companies established by relevant intelligence agencies. No notable criminal history. Criminal Pattern: Differs from the hacking methods and IP patterns typically used by hackers affiliated with the Chinese or North Korean governments. The intrusion method is crude, typical of an amateur individual hacker. Preliminary conclusion: no other accomplices are believed to be involved. * DB schema request: Preparation of a report for the Director of the National Intelligence Service → The analysis report is a mandatory procedure for operational execution (may be reported directly to the President depending on the results). His activities Residing at his registered address	2025-12-10 23:32:49	2025-12-11 16:11:38		37b506d5-9874-0adf-0000-019b08ac2274	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1765377057421.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Active	Trash		업데이트: 용의자는 협조를 원하지 않으며 모든 것을 부인합니다.	Update: The suspect is uncooperative and denies everything.	2025-12-13 20:51:56	2025-12-13 20:51:56	2025-12-17 13:17:05	37b506d5-9874-0adf-0000-019b178ca335	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1765626651460.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Delete		No Category	업데이트: 용의자는 협조를 원하지 않으며 모든 것을 부인합니다.	Update: The suspect is uncooperative and denies everything.	2025-12-13 20:51:56	2025-12-13 20:51:56		37b506d5-9874-0adf-0000-019b178ca335	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1765626651460.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Active	Trash		후속 조치 논의 사항 1. 강에 있는 핵심 물증(랩탑) 회수 반드시 필요. 용의자 동의 하에 잠수부 섭외 필요. - 강에서 수색한 행위는 반드시 필요. 유속이 빨랐다가 하는 실제 수색은 했으나 끝내 수거하지 못했다는 증거 확보 필요. (만약 용의자가 거짓말 했다면 다른 장소 실토 가능성 있음.) 2. 용의자 자백 진술서 서면 확보 - 필수내용 : 1) 본인의 침해사실 인정 2) 자료를 다른 장소에 복사하거나 이동하지 않았다는 명시적인 진술 3)자신이 가지고 있는 디바이스 일체를 빠짐없이 제출할 것을 약속 4) 자신이 가져	Items for Discussion on Follow-up Actions 1. It is essential to recover the key piece of evidence (laptop) from the river. A diver must be hired with the suspect's consent. - A search of the river is absolutely necessary. Evidence must be secured to confirm that an actual search was conducted but the item could not be retrieved due to factors such as strong currents. (If the suspect lied, there is a possibility they may confess to hiding it elsewhere.) 2. Obtain a written confession statement from the suspect - Required content: 1) Admission of the infringement 2) An explicit statement that the data was not copied or moved to another location 3) A promise to submit all devices in their possession without exception 4) The items they brought	2025-12-16 11:54:32	2025-12-17 13:16:49	2025-12-17 13:17:05	37b506d5-9874-0adf-0000-019b251460df	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1765853651188.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Delete		No Category	후속 조치 논의 사항 1. 강에 있는 핵심 물증(랩탑) 회수 반드시 필요. 용의자 동의 하에 잠수부 섭외 필요. - 강에서 수색한 행위는 반드시 필요. 유속이 빨랐다가 하는 실제 수색은 했으나 끝내 수거하지 못했다는 증거 확보 필요. (만약 용의자가 거짓말 했다면 다른 장소 실토 가능성 있음.) 2. 용의자 자백 진술서 서면 확보 - 필수내용 : 1) 본인의 침해사실 인정 2) 자료를 다른 장소에 복사하거나 이동하지 않았다는 명시적인 진술 3)자신이 가지고 있는 디바이스 일체를 빠짐없이 제출할 것을 약속 4) 자신이 가져	Items for Discussion on Follow-up Actions 1. It is essential to recover the key piece of evidence (laptop) from the river. A diver must be hired with the suspect's consent. - A search of the river is absolutely necessary. Evidence must be secured to confirm that an actual search was conducted but the item could not be retrieved due to factors such as strong currents. (If the suspect lied, there is a possibility they may confess to hiding it elsewhere.) 2. Obtain a written confession statement from the suspect - Required content: 1) Admission of the infringement 2) An explicit statement that the data was not copied or moved to another location 3) A promise to submit all devices in their possession without exception 4) The items they brought	2025-12-16 11:54:32	2025-12-17 13:16:49		37b506d5-9874-0adf-0000-019b251460df	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1765853651188.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414

Samsung Notes	Active	No Category	그들의 본부에서 지시사항이 있다. (ASAP) 1. 용의자 진술서에 손가락 도장 필요 : 경찰에게 증거물이 전달되었을때 경찰이 증거 인정하지 않을 가능성높기 때문에 2. 용의자가 랩탑을 버린 강의 상세한 위치, 포인트, 실제로 투기를 한 날짜, 시간, 구체적인 상황 묘사 - 랩탑을 찾기 위한 쿠팡의 계획이 무엇인가? * 용의자가 디바이스를 여러번 지웠기때문에 복구가 잘 되지 않을 가능성 있기 때문에 용의자의 구체적인 진술과 이를 증명하는 보증(손가락 도장)이 있어야 함. (기본적인 조사 : 그는 anti forensic 소프트웨어를 사용한 것 같다. 그렇다면 데이터 복구가 안될 가능성이 매우 크다	Instructions have been received from headquarters. (ASAP) 1. Fingerprint required on the suspect's statement: There is a high likelihood that the police will not accept the evidence if it is handed over to them. 2. Detailed location and coordinates of the river where the suspect discarded the laptop, as well as the exact date, time, and specific circumstances of the disposal. - What is Coupang's plan to locate the laptop? * Since the suspect has wiped the device multiple times, data recovery may not be successful; therefore, a detailed statement from the suspect and a guarantee (fingerprint) to verify it are required. (Preliminary investigation: It appears he used anti-forensic software. If so, the likelihood of data	2025-12-18 10:04:48	2025-12-18 10:15:42		37b506d5-9874-0adf-0000-019b2efa8ec2	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1766019731180.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Active	No Category	그들의 본부에서 지시사항이 있다. (ASAP) 1. 용의자 진술서에 손가락 도장 필요 : 경찰에게 증거물이 전달되었을때 경찰이 증거 인정하지 않을 가능성높기 때문에 2. 용의자가 랩탑을 버린 강의 상세한 위치, 포인트, 실제로 투기를 한 날짜, 시간, 구체적인 상황 묘사 - 랩탑을 찾기 위한 쿠팡의 계획이 무엇인가? * 용의자가 디바이스를 여러번 지웠기때문에 복구가 잘 되지 않을 가능성 있기 때문에 용의자의 구체적인 진술과 이를 증명하는 보증(손가락 도장)이 있어야 함. (기본적인 조사 : 그는 anti forensic 소프트웨어를 사용한 것 같다. 그렇다면 데이터 복구가 안될 가능성이 매우 크다	Instructions have been received from their headquarters. (ASAP) 1. Fingerprint required on the suspect's statement: There is a high probability that the police will not accept the evidence if it is simply handed over to them. 2. Detailed location and coordinates of the river where the suspect discarded the laptop, as well as the exact date, time, and specific circumstances of the disposal. - What is Coupang's plan to locate the laptop? * Since the suspect erased the device multiple times, data recovery may not be successful; therefore, a detailed statement from the suspect and a guarantee (fingerprint) to verify it are required. (Preliminary investigation: It appears he used anti-forensic software. If so, the likelihood of data	2025-12-18 10:04:48	2025-12-18 10:15:42				2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Active	No Category	순형가원[REDACTED - PII]이라는 아파트 단지입니다. 빨간색 동그라미가 쳐진 곳은 단지의 동쪽(오른쪽) 도로인 화사산루[REDACTED - PII]변입니다.	This is an apartment complex called [REDACTED - PII]. The area circled in red is along [REDACTED - PII] which is the road on the east (right) side of the complex.	2025-12-18 12:58:38	2025-12-18 12:58:38		37b506d5-9874-0adf-0000-019b2f9b9f9c	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1766030286768.sdocx	2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Active	No Category	순형가원[REDACTED - PII]이라는 아파트 단지입니다. 빨간색 동그라미가 쳐진 곳은 단지의 동쪽(오른쪽) 도로인 화사산루[REDACTED - PII]변입니다.	This is an apartment complex called [REDACTED - PII]. The area circled in red is along [REDACTED - PII] which is the road on the east (right) side of the complex.	2025-12-18 12:58:38	2025-12-18 12:58:38				2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Active	No Category	[Redacted ACP]	[Redacted ACP]	2025-12-18 22:53:41	2025-12-20 11:33:37		37b506d5-9874-0adf-0000-019b31bc15a3	File path: /data/user/0/com.samsung.android.app.notes/SDocData/1766065968568.sdocx File path: /data/com.samsung.android.app.notes/app_attach/37b506d5-9874-0adf-0000-019b31bc15a3/mainlist/d_thumbnail_text	2026-2572_1_SM-S931N_FullFilesystem_20260414
Samsung Notes	Active	No Category	[Redacted ACP]	[Redacted ACP]	2025-12-18 22:53:41	2025-12-20 11:33:37				2026-2572_1_SM-S931N_FullFilesystem_20260414

Calendar

App	Status	Attribute	Category	Type	Subject	Content	▶Translation	Start Date	End Date	End Date	End Time	Creation Date	Time Zone	Account	Evidence
Naver Calendar	Active		My Calendar	Calendar		기술조사 [REDACTED – PII]님	Technical Research, [REDACTED – PII]	2025-12-05	2025-12-05	2025-12-05	02:00:00	2025-12-03 20:25:27	Asia/Seoul	[REDACTED - Account Number]	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Calendar	Active		My Calendar	Calendar		기술조사	Technical Survey	2025-12-09	2025-12-09	2025-12-09	07:00:00	2025-12-05 16:01:35	Asia/Seoul	[REDACTED - Account Number]	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Calendar	Active		My Calendar	Calendar		상하이	Shanghai	2025-12-17	2025-12-17	2025-12-17	14:00:00	2025-12-25 21:38:47	Asia/Seoul	[REDACTED - Account Number]	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Calendar	Active		My Calendar	Calendar		상하이	Shanghai	2025-12-18	2025-12-18	2025-12-18	14:00:00	2025-12-25 21:38:53	Asia/Seoul	[REDACTED - Account Number]	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Calendar	Active		My Calendar	Calendar		상하이	Shanghai	2025-12-19	2025-12-19	2025-12-19	14:00:00	2025-12-25 21:38:59	Asia/Seoul	[REDACTED - Account Number]	2026-2572_1_SM-S931N_FullFilesystem_20260414

Other

App	Statu	Type	Item	Content	►Translation	Date	Evidence
Naver Papago	Active	Naver Papago	Translation	입력(ko): 중국정보기관에서 상하이 법인 회사자 정보를 파악하고 추적할 가능성 있습니다. 한국 국가정보원으로부터 협조공문 영도하는대로 보고 드리겠다. 번역(en): There is a possibility that the Chinese intelligence agency can identify and track the information on the resignation of the Shanghai corporation. I will report it as soon as I receive a cooperation letter from the National Intelligence Service of Korea.	Input (ko): There is a possibility that Chinese intelligence agencies may identify and track information regarding the resignation of employees at the Shanghai corporation. I will report this as soon as I receive a cooperation letter from the National Intelligence Service of Korea. Translation (en): There is a possibility that the Chinese intelligence agency can identify and track the information on the resignation of the Shanghai corporation. I will report it as soon as I receive a cooperation letter from the National Intelligence Service of Korea.	2025-12-02 12:25:17	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 저는 국정원과 협력하는 것이 좋을 것 같습니다.국정원은 중국공안이 움직였기때문에 시간이 없다고 판단하고 있습니다. 번역(en): I think it would be good to cooperate with the National Intelligence Service. The National Intelligence Service believes that there is no time because the Chinese public security has moved.	Input (ko): I think it would be best to cooperate with the National Intelligence Service. The National Intelligence Service believes there is no time to waste because the Chinese public security authorities have already taken action. Translation (en): I think it would be good to cooperate with the National Intelligence Service. The National Intelligence Service believes that there is no time because the Chinese public security has moved.	2025-12-02 13:44:06	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 구체적인 언급은 안했으나 아주 뒷선으로부터 번역(en): I didn't elaborate, but from very high up	Input (ko): I didn't elaborate, but from very high up Translation (en): I didn't elaborate, but from very high up	2025-12-02 13:46:11	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): I didn't elaborate, but from very high up 번역(ko): 자세히 설명하지는 않았지만 매우 높은 곳에서	Input (en): I didn't elaborate, but from very high up Translation (ko): I didn't elaborate, but from very high up	2025-12-02 13:58:21	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): So we are clear - no one in our China office is allowed to cooperate with the NIS. That would expose them to extreme risk in China. So no person in our China office can cooperate with NIS 번역(ko): 따라서 중국 사무소의 어느 누구도 NIS와 협력할 수 없다는 점을 분명히 말씀드립니다. 그것은 그들을 중국에서 극단적인 위험에 노출시킬 것입니다. 그래서 우리 중국 사무소의 어느 누구도 국정원에 협조할 수 없습니다	Input (en): So we are clear - no one in our China office is allowed to cooperate with the NIS. That would expose them to extreme risk in China. So no one in our China office can cooperate with the NIS Translation (ko): Therefore, I would like to make it clear that no one in our China office can cooperate with the NIS. That would expose them to extreme risk in China. So no one in our China office can cooperate with the NIS	2025-12-02 13:58:24	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 따라서 중국 사무소의 어느 누구도 NIS와 협력할 수 없다는 점을 분명히 말씀드립니다. 그것은 그들을 중국에서 극단적인 위험에 노출시킬 것입니다. 그래서 우리 중국 사무소의 어느 누구도 국정원에 협조할 수 없습니다 번역(en): Therefore, let me make it clear that no one in China office can cooperate with NIS. It will expose them to extreme risks in China. So no one in our China office can cooperate with the NIS	Input (ko): Therefore, let me make it clear that no one in our China office can cooperate with the NIS. It would expose them to extreme risk in China. So no one in our China office can cooperate with the NIS Translation (en): Therefore, let me make it clear that no one in our China office can cooperate with NIS. It would expose them to extreme risks in China. So no one in our China office can cooperate with the NIS	2025-12-02 14:00:19	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 네. 이해합니다. 걱정 안해도 된다고 합니다. 번역(en): Yes. I understand. They say you don't have to worry.	Input (ko): Yes. I understand. They say you don't have to worry. Translation (en): Yes. I understand. They say you don't have to worry.	2025-12-02 14:00:47	2026-2572_1_SM-S931N_FullFilesystem_20260414

Naver Papago	Active	Naver Papago	Translation	입력(en): Today, [REDACTED – COUPANG EMPLOYEE 2] and [REDACTED - COUPANG EMPLOYEE] from Coupang met with two NIS agents. The NIS has repeatedly implied that this task reflects the President's intent and mentioned they would make every effort to recover the information. (Today, the President stated at the Cabinet meeting, "Please mobilize all available means to prevent secondary damage from the misuse of leaked information."). We clearly conveyed that contact between Coupang Shanghai employees and the NIS is strictly prohibited under Chinese public security laws. We also provided personnel information regarding the hacker. The NIS additionally requested technical evidence enabling them to specifically identify the hacker as the perpetrator of this breach. As this material has already been submitted to multiple agencies, including the police, we believe providing it is appropriate. 번역(ko): 오늘 쿠팡의 [REDACTED – COUPANG EMPLOYEE 2]와 [REDACTED - COUPANG EMPLOYEE]가 국정원 요원 두 명을 만났습니다. 국정원은 이 업무가 대통령의 의도를 반영한 것임을 거듭 시사하며 정보 복구에 최선을 다하겠다고 언급했습니다. (오늘 대통령은 국무회의에서 "유출된 정보 오용으로 인한 2차 피해를 방지하기 위해 가능한 모든 수단을 동원해 달라"고 말했습니다. 우리는 쿠팡 상하이 직원들과 국정원 간의 접촉이 중국 공안법에 따라 엄격히 금지되어 있음을 분명히 전달했습니다. 또한 해커와 관련된 인사 정보도 제공했습니다. 국정원은 해커를 이번 유출의 가해자로 구체적으로 파악할 수 있는 기술적 증거를 추가로 요청했습니다. 이 자료는 이미 경찰 등 여러 기관에 제출된 바 있으므로 적절한 경우라고 판단하고 있습니다.	Input (en): Today, [REDACTED – COUPANG EMPLOYEE 2] and [REDACTED - COUPANG EMPLOYEE] from Coupang met with two NIS agents. The NIS has repeatedly implied that this task reflects the President's intent and mentioned they would make every effort to recover the information. (Today, the President stated at the Cabinet meeting, "Please mobilize all available means to prevent secondary damage from the misuse of leaked information."). We clearly conveyed that contact between Coupang Shanghai employees and the NIS is strictly prohibited under Chinese public security laws. We also provided personnel information regarding the hacker. The NIS additionally requested technical evidence enabling them to specifically identify the hacker as the perpetrator of this breach. As this material has already been submitted to multiple agencies, including the police, we believe providing it is appropriate. Translation (ko): Today, Coupang's [REDACTED – COUPANG EMPLOYEE 2] and [REDACTED - COUPANG EMPLOYEE] met with two NIS agents. The NIS repeatedly indicated that this operation reflects the President's intentions and stated that they would do their utmost to recover the information. (Today, the President said at a Cabinet meeting, "Please mobilize all available means to prevent secondary damage from the misuse of leaked information.") We clearly conveyed that contact between Coupang's Shanghai staff and the NIS is strictly prohibited under Chinese public security laws. We also provided personnel information related to the hacker. The NIS requested additional technical evidence to specifically identify the hacker as the perpetrator of this leak. Since this material has already been submitted to multiple agencies, including the police, we believe it is appropriate to provide it.	2025-12-03 02:57:17	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): The National Intelligence Service is considering both official approaches through Chinese public security authorities and private methods for retrieving the data. For the official approach, a criminal complaint against the hacker by our Shanghai subsidiary is required. Should the NIS request a criminal complaint, we will inform you immediately. 번역(ko): 국가정보원은 중국 공안 당국을 통한 공식 접근과 비공개 방법을 모두 검토하고 있습니다. 공식 접근을 위해서는 상하이 법인의 해커에 대한 형사 고소가 필요합니다. 국정원이 형사 고소를 요청하면 즉시 알려드리겠습니다.	Input (en): The National Intelligence Service is considering both official approaches through Chinese public security authorities and private methods for retrieving the data. For the official approach, a criminal complaint against the hacker by our Shanghai subsidiary is required. Should the NIS request a criminal complaint, we will inform you immediately. Translation (ko): The National Intelligence Service is considering both official approaches through Chinese public security authorities and private methods for retrieving the data. For the official approach, a criminal complaint against the hacker by our Shanghai subsidiary is required. Should the NIS request a criminal complaint, we will inform you immediately.	2025-12-05 13:40:46	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): A criminal complaint by us is very dangerous 번역(ko): 우리의 형사 고소는 매우 위험합니다	Input (en): A criminal complaint by us is very dangerous Translation (ko): Our filing of a criminal complaint is very dangerous	2025-12-05 13:43:04	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): If the Chinese police catch the hacker - the Chinese police will Have all the data 번역(ko): 중국 경찰이 해커를 잡는다면 - 중국 경찰은 다음과 같이 할 것입니다 모든 데이터 보유	Input (en): If the Chinese police catch the hacker - the Chinese police will Have all the data Translation (ko): If the Chinese police catch the hacker - the Chinese police will Retain all data	2025-12-05 13:43:13	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 중국 경찰이 해커를 잡는다면 - 중국 경찰은 다음과 같이 할 것입니다 모든 데이터 보유 번역(en): If Chinese Police Caught Hackers - Here's What Chinese Police Will Do Hold all data	Input (ko): If the Chinese police catch the hacker - the Chinese police will Hold all data Translation (en): If Chinese Police Caught Hackers - Here's What Chinese Police Will Do Hold all data	2025-12-05 13:43:21	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 중국정부에게 설득하고 있는 내용 범위 : 한국 국정원과 한국경찰의 참여, 범인의 인도, 자료의 회수 번역(en): Scope of content persuading the Chinese government: Participation of the Korean National Intelligence Service and the Korean police, delivery of criminals, and collection of data	Input (ko): Scope of content being used to persuade the Chinese government: Participation of the Korean National Intelligence Service and the Korean police, extradition of criminals, and recovery of data Translation (en): Scope of content persuading the Chinese government: Participation of the Korean National Intelligence Service and the Korean police, delivery of criminals, and collection of data	2025-12-05 13:45:20	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 범죄자 인도를 거부할 경우 : 자료 회수 또는 파괴 번역(en): Refusing to extradite: collecting or destroying data	Input (ko): If extradition is refused: collecting or destroying data Translation (en): Refusing to extradite: collecting or destroying data	2025-12-05 13:46:56	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Refusing to extradite: collecting or destroying data 번역(ko): 범죄인 인도 거부: 데이터 수집 또는 파괴	Input (en): Refusing to extradite: collecting or destroying data Translation (ko): Refusal to extradite: collecting or destroying data	2025-12-05 13:47:26	2026-2572_1_SM-5931N_FullFilesystem_20260414

Naver Papago	Active	Naver Papago	Translation	입력(en): That's right. All of this is just ideas; nothing has been decided. The NIS is not considering the possibility of data being transferred to Chinese public security authorities, and if such a possibility existed, NIS would not collaborate with them. We are also making that point clear. 번역(ko): 맞습니다. 이 모든 것은 아이디어일 뿐 결정된 것은 없습니다. 국정원은 중국 공안 당국으로 데이터가 이전될 가능성을 고려하지 않고 있으며, 그런 가능성이 존재한다면 NIS는 중국 공안 당국과 협력하지 않을 것입니다. 또한 그 점을 분명히 하고 있습니다.	Input (en): That's right. All of this is just ideas; nothing has been decided. The NIS is not considering the possibility of data being transferred to Chinese public security authorities, and if such a possibility existed, NIS would not collaborate with them. We are also making that point clear. Translation (ko): That's right. All of this is just ideas; nothing has been decided. The NIS is not considering the possibility of data being transferred to Chinese public security authorities, and if such a possibility existed, the NIS would not collaborate with them. We are also making that point clear.	2025-12-05 13:47:30	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 맞습니다. 이 모든 것은 아이디어일 뿐 결정된 것은 없습니다. 국정원은 중국 공안 당국으로 데이터가 이전될 가능성을 고려하지 않고 있으며, 그런 가능성이 존재한다면 NIS는 중국 공안 당국과 협력하지 않을 것입니다. 또한 그 점을 분명히 하고 있습니다. 번역(en): That's right. All of this is just an idea and nothing has been decided. NIS is not considering the possibility of data transfer to Chinese public security authorities, and NIS will not cooperate with Chinese public security authorities if that possibility exists. It also makes that clear.	Input (ko): That's right. All of this is just an idea and nothing has been decided. The National Intelligence Service (NIS) is not considering the possibility of data being transferred to Chinese public security authorities, and if such a possibility existed, the NIS would not cooperate with them. We are also making that point clear. Translation (en): That's right. All of this is just an idea and nothing has been decided. NIS is not considering the possibility of data transfer to Chinese public security authorities, and NIS will not cooperate with Chinese public security authorities if that possibility exists. It also makes that clear.	2025-12-05 13:47:40	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 중국정부의 도움으로 공식적으로 작전이 실행되어야만 자료 회수가 성공적일때 국가정보원 또는 한국 경찰이 작전의 성공을 한국 국민들에게 공개적으로 밝힐 수 있습니다. 번역(en): Only when the operation is officially carried out with the help of the Chinese government can the National Intelligence Service or the Korean police publicly reveal the success of the operation to the Korean people when the data retrieval is successful.	Input (ko): Only when the operation is officially carried out with the help of the Chinese government can the National Intelligence Service or the Korean police publicly reveal the success of the operation to the Korean people when the data retrieval is successful. Translation (en): Only when the operation is officially carried out with the help of the Chinese government can the National Intelligence Service or the Korean police publicly reveal the success of the operation to the Korean people when the data retrieval is successful.	2025-12-05 13:49:34	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Only when the operation is officially carried out with the help of the Chinese government can the National Intelligence Service or the Korean police publicly reveal the success of the operation to the Korean people when the data retrieval is successful. 번역(ko): 중국 정부의 도움을 받아 공식적으로 작전이 수행되어야만 국가정보원이나 한국 경찰이 데이터 검색에 성공했을 때 작전의 성공 여부를 한국인에 공개할 수 있습니다.	Input (en): Only when the operation is officially carried out with the help of the Chinese government can the National Intelligence Service or the Korean police publicly reveal the success of the operation to the Korean people when the data retrieval is successful. Translation (ko): Only when the operation is officially carried out with the help of the Chinese government can the National Intelligence Service or the Korean police publicly reveal the success of the operation to the Korean people when the data retrieval is successful.	2025-12-05 13:54:50	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 한국정부도 원하지 않기때문에 국가정보원에서는 이부분을 핵심 협상조건으로 삼을 것입니다. 그래서 중국과 협상의 시간이 필요하다고 얘기하고 있습니다. 번역(en): Because the Korean government doesn't want it either, the National Intelligence Service will make this a key negotiating condition, so they're saying we need time to negotiate with China.	Input (ko): Since the Korean government does not want this either, the National Intelligence Service will make this a key negotiating condition. That is why they are saying that time is needed to negotiate with China. Translation (en): Because the Korean government doesn't want it either, the National Intelligence Service will make this a key negotiating condition, so they're saying we need time to negotiate with China.	2025-12-05 13:56:25	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 마찬가지로 한국정부도 원하지 않기때문에 국가정보원에서는 이부분을 핵심 협상조건으로 삼을 것입니다. 그래서 중국과 협상의 시간이 필요하다고 얘기하고 있습니다. 번역(en): Likewise, the Korean government doesn't want it, so the National Intelligence Service will make this a key negotiating condition, so they're saying we need time to negotiate with China.	Input (ko): Likewise, since the Korean government does not want this either, the National Intelligence Service will make this a key negotiating condition. That is why they are saying that time is needed to negotiate with China. Translation (en): Likewise, the Korean government doesn't want it, so the National Intelligence Service will make this a key negotiating condition, so they're saying we need time to negotiate with China.	2025-12-05 13:56:55	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): The National Intelligence Service is most concerned that this data be provided to Chinese public security authorities or Chinese companies, and NIS involved in this case to prevent such a situation. That is NIS's most important goal. 번역(ko): 국가정보원은 이러한 상황을 방지하기 위해 이 데이터가 중국 공안 당국이나 중국 기업, 그리고 이번 사건에 연루된 국정원에 제공되는 것을 가장 우려하고 있습니다. 이것이 국정원의 가장 중요한 목표입니다.	Input (en): The National Intelligence Service is most concerned that this data be provided to Chinese public security authorities or Chinese companies, and NIS involved in this case to prevent such a situation. That is NIS's most important goal. Translation (ko): The National Intelligence Service is most concerned that this data be provided to Chinese public security authorities, Chinese companies, or the NIS involved in this case. This is the NIS's most important goal.	2025-12-06 14:33:29	2026-2572_1_SM-5931N_FullFilesystem_20260414

Naver Papago	Active	Naver Papago	Translation	입력(ko): 국가정보원은 이러한 상황을 방지하기 위해 이 데이터가 중국 공안 당국이나 중국 기업, 그리고 이번 사건에 연루된 국정원에 제공되는 것을 가장 우려하고 있습니다. 이것이 국정원의 가장 중요한 목표입니다. 번역(en): The National Intelligence Service is most concerned about the data being provided to Chinese public security authorities, Chinese companies, and the National Intelligence Service (NIS) involved in the incident to prevent such a situation. This is the NIS' most important goal.	Input (ko): The National Intelligence Service is most concerned that this data be provided to Chinese public security authorities, Chinese companies, and the National Intelligence Service (NIS) involved in this case to prevent such a situation. This is the NIS's most important goal. Translation (en): The National Intelligence Service is most concerned about the data being provided to Chinese public security authorities, Chinese companies, and the National Intelligence Service (NIS) involved in the incident to prevent such a situation. This is the NIS' most important goal.	2025-12-06 14:33:29	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): New contact from the suspect 번역(ko): 용의자의 새로운 연락처	Input (en): New contact from the suspect Translation (ko): The suspect's new contact information	2025-12-06 15:48:42	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 용의자의 새로운 연락처 번역(en): the suspect's new contact information	Input (ko): The suspect's new contact information Translation (en): the suspect's new contact information	2025-12-06 15:48:44	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 국정원 답변 : 경찰에게 정보공유 필요함. 대신에 몇십분 후에 통보해달라. 자신들이 빠르게 논의 후 다시 연락하겠다. 조금만 기다려 달라. 번역(en): NIS answer : need to share information to police. Instead, please notify them in a few minutes. They will discuss it quickly and get back to you. Please wait a little bit.	Input (ko): NIS response: Need to share information with the police. Instead, please notify them in a few minutes. They will discuss it quickly and get back to you. Please wait a little bit. Translation (en): NIS answer : need to share information to police. Instead, please notify them in a few minutes. They will discuss it quickly and get back to you. Please wait a little bit.	2025-12-06 15:50:26	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 국정원 답변 : 경찰에게 정보공유 필요함. 대신에 몇십분 후에 통보해달라. 국정원 내부적으로 빠르게 논의 후 다시 나에게 연락하겠으니 조금만 기다려 달라. 번역(en): NIS answer: We need to share information with the police. Instead, please notify us in a few minutes. I will contact you again after discussing it quickly internally, so please wait a little bit.	Input (ko): NIS response: We need to share information with the police. Instead, please notify us in a few minutes. I will contact you again after discussing it quickly internally, so please wait a little while. Translation (en): NIS answer: We need to share information with the police. Instead, please notify us in a few minutes. I will contact you again after discussing it quickly internally, so please wait a little bit.	2025-12-06 15:51:36	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 국정원 답변 : 경찰에게 정보공유 필요함. 대신에 몇십분 후에 통보해달라. 자신들이 내부적으로 빠르게 논의 후 다시 나에게 연락하겠으니 조금만 기다려 달라. 번역(en): NIS answer: need to share information to police. Instead, please notify me in a few minutes. I will contact you again after discussing it quickly internally, so please wait a little bit.	Input (ko): NIS response: Need to share information with the police. Instead, please notify us in a few minutes. They will discuss it quickly internally and contact me again, so please wait a little while. Translation (en): NIS answer: need to share information to police. Instead, please notify me in a few minutes. I will contact you again after discussing it quickly internally, so please wait a little bit.	2025-12-06 15:53:11	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): NIS answer: need to share information to police. Instead, please notify me in a few minutes. I will contact you again after discussing it quickly internally, so please wait a little bit. 번역(ko): 국정원 답변: 경찰과 정보를 공유해야 합니다. 대신 몇 분 후에 알려주세요. 내부적으로 빠르게 논의한 후 다시 연락드릴 테니 조금만 기다려 주세요.	Input (en): NIS answer: need to share information to police. Instead, please notify me in a few minutes. I will contact you again after discussing it quickly internally, so please wait a little bit. Translation (ko): NIS answer: We need to share information with the police. Instead, please notify me in a few minutes. I will contact you again after discussing it quickly internally, so please wait a little bit.	2025-12-06 15:58:26	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): As fyi - the suspect left the WeChat group. His last message suggested he would leave because he says "goodbye" 번역(ko): 참고로 용의자는 위챗 그룹을 떠났습니다. 그의 마지막 메시지는 "안녕히 가세요"라고 말했기 때문에 떠날 것이라고 제안했습니다	Input (en): As fyi - the suspect left the WeChat group. His last message suggested he would leave because he says "goodbye" Translation (ko): For your information, the suspect left the WeChat group. His last message suggested he would leave because he said "goodbye."	2025-12-06 16:02:31	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 참고로 용의자는 위챗 그룹을 떠났습니다. 그의 마지막 메시지는 "안녕히 가세요"라고 말했기 때문에 떠날 것이라고 제안했습니다 번역(en): For your information, the suspect left the WeChat group. His last message suggested he would leave because he said, "Goodbye."	Input (ko): For your information, the suspect left the WeChat group. His last message suggested he would leave because he said, "Goodbye." Translation (en): For your information, the suspect left the WeChat group. His last message suggested he would leave because he said, "Goodbye."	2025-12-06 16:03:21	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 그가 대화방에서 나갔나요? 번역(en): Did he leave the chat room?	Input (ko): Did he leave the chat room? Translation (en): Did he leave the chat room??	2025-12-06 16:03:42	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Did he leave the chat room? 번역(ko): 그가 채팅방을 떠났나요?	Input (en): Did he leave the chat room? Translation (ko): Did he leave the chat room?	2025-12-06 16:05:55	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	Tho 번역(en): We know his we chat 번역(ko): 우리는 그의 대화를 알고 있습니다 Tho	Input (en): We know his we chat Tho Translation (ko): We know his WeChat Tho	2025-12-06 16:06:00	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 경찰 번역(en): The police.	Input (ko): Police Translation (en): The police.	2025-12-06 17:24:47	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	번역(en): The police.	Input (en): The police.	2025-12-06 17:54:12	2026-2572_1_SM-S931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 경찰 번역(en): The police.	Input (ko): The police. Translation (en): The police.	2025-12-06 17:54:12	2026-2572_1_SM-S931N_FullFilesystem_20260414

Naver Papago	Active	Naver Papago	Translation	남 (KO): "경찰." - 회사가 용의자에게 접촉하는 것에 대한 의견 : 회사의 판단을 존중한다. 그러나 용의자는 본인이 한일이 아니라고 부인하고 있다. 이것은 범죄증거를 은폐하는 수순으로 이어질 수 있고 자칫 회사가 그에게 연락하는 것이 용의자의 증거은멸, 잠적행위라 가속화 되는 효과를 야기할 수 있기때문에 우려가 된다. 만약 회사가 그에게 접촉할 경우 사전 경찰에게 공유 부탁함. - 참고 : 현재 중국 사법당국과 논의중 하고 있으나 쉽지 않은 상황임. 자주중에 중국정부와의 협조에 대한 경찰 내부 논의가 예정되어 있고 이후 경찰은 쿠팡에게 다음을 권유 할 수 있음. '쿠팡 중국법원에서 용의자에 대한 형사고발 권고'(쿠팡이 우려하는 바와 같이 중국 정부가 자료를 회수할 가능성있음. 이부분 까지 고려를 해서 쿠팡이 판단할 필요성 있음) 2. 국정원 : 내일 용의자와 대화 시도 하자. - 내일 늦까지 용의자가 보낸 메일이 도착할 수 있는 회사 이메일 주소(법무, 상하이법인 이메일 주소 등)를 점검해서 용의자의 메일이 있는지 확인. - 용의자가 아직 회사에 보낸 메일이 없더라도 위챗, 텔레그램 등 으로 대화 시도 (제보를 받고 쿠팡 법무팀에서 당신에게 연락한 것이다) - 용의자가 자신의 범죄사실을 부정할 경우 이미 상당한 증거가 확보되었고 오프라인에서 만나면 증거를 보여주겠음(오프라인 미팅 권유) * 중국현지에서 용의자가 원하는 방식으로 만나고 싶다고 설득 필요 번역(en): 1. Police : - Opinion of the company's contact with the suspect : Respect the company's judgment. However, the suspect denies that he did it. This is worrisome because it can lead to the process of concealing criminal evidence, and the company's contact with him could have the effect of destroying the suspect's evidence and accelerating his or her disappearance. If the company contacts him, please share it with the police in advance. - Note: We are currently discussing with the Chinese law enforcement authorities, but it is not an easy situation. An internal police discussion on cooperation with the Chinese government is scheduled during the borrower, and after that, the police may recommend Coupang to the following. 'Criminal charges against suspects in Coupang' (As Coupang is concerned, the Chinese government may retrieve the data. Coupang needs to consider this part and make a judgment.) 2. NIS: Let's try to talk to the suspect tomorrow. - Check the company email address (law, Shanghai corporation email address, etc.) where the mail sent by the suspect can arrive by tomorrow afternoon to see if the suspect's mail is there. - Even if the suspect doesn't have a mail to the company yet, he/she will try to talk to you through WeChat, Telegram, etc. (He/she was informed and contacted you by Coupang legal team) - If the suspect denies his/her crime, considerable evidence has already been obtained and if he/she meets offline, show him/her evidence (if possible, please share it).	Input (KO): "1. POLICE." - Opinion on the company contacting the suspect: We respect the company's judgment. However, the suspect denies any involvement. This could lead to the destruction of criminal evidence, and there is concern that if the company contacts him, it may inadvertently accelerate the suspect's efforts to destroy evidence or go into hiding. If the company decides to contact him, please inform the police in advance. - Note: We are currently in discussions with Chinese judicial authorities, but the situation is not straightforward. Internal police discussions regarding cooperation with the Chinese government are scheduled for next week, after which the police may recommend the following to Coupang: "Recommendation for Coupang's Chinese subsidiary to file a criminal complaint against the suspect" (As Coupang fears, there is a possibility that the Chinese government may seize the data. Coupang needs to make a decision after considering this point as well.) 2. National Intelligence Service: Let's attempt to communicate with the suspect tomorrow. - By tomorrow afternoon, check company email addresses (such as the legal department or Shanghai subsidiary) where the suspect's email might have been sent to confirm if any emails from the suspect have arrived. - Even if the suspect has not yet sent an email to the company, attempt to communicate via WeChat, Telegram, etc. (Coupang's Legal Department contacted you after receiving a tip.) - If the suspect denies the criminal acts, inform them that substantial evidence has already been secured and that you will present it during an in-person meeting (suggest an in-person meeting). * Persuade the suspect to meet in China in a manner of their choosing. * Persuade the suspect to meet in China in a manner of their choosing. - Opinion of the company's contact with the suspect : Respect the company's judgment. However, the suspect denies that he did it. This is worrisome because it can lead to the process of concealing criminal evidence, and the company's contact with him could have the effect of destroying the suspect's evidence and accelerating his or her disappearance. If the company contacts him, please share it with the police in advance. - Note: We are currently discussing with the Chinese law enforcement authorities, but it is not an easy situation. An internal police discussion on cooperation with the Chinese government is scheduled during the borrower, and after that, the police may recommend Coupang to the following. 'Criminal charges against suspects in Coupang' (As Coupang is concerned, the Chinese government may retrieve the data. Coupang needs to consider this part and make a judgment.) 2. NIS: Let's try to talk to the suspect tomorrow. - Check the company email address (law, Shanghai corporation email address, etc.) where the mail sent by the suspect can arrive by tomorrow afternoon to see if the suspect's mail is there. - Even if the suspect doesn't have a mail to the company yet, he/she will try to talk to you through WeChat, Telegram, etc. (He/she was informed and contacted you by Coupang legal team) - If the suspect denies his/her crime, considerable evidence has already been obtained and if he/she meets offline, show him/her evidence (offline meeting recommended) S.N.A.M.E. : P.O. Box 111, Seoul 04528, Korea	2025-12-06 17:54:17	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 만약 회사가 내일 용의자와 대화시도할 경우 국정원에서 함께 할 의향있음. 번역(en): If the company attempts to talk to the suspect tomorrow, the NIS will be willing to join.	Input (ko): If the company attempts to speak with the suspect tomorrow, the NIS is willing to join. Translation (en): If the company attempts to talk to the suspect tomorrow, the NIS will be willing to join.	2025-12-06 18:09:19	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): If the company attempts to talk to the suspect tomorrow, the NIS will be willing to join. 번역(ko): 내일 회사가 용의자와 대화를 시도하면 국정원도 기꺼이 참여할 것입니다.	Input (en): If the company attempts to talk to the suspect tomorrow, the NIS will be willing to join. Translation (ko): If the company attempts to talk to the suspect tomorrow, the NIS will be willing to join.	2025-12-06 18:23:25	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): So: Police does not want us to contact. But NIS does want us to contact? Is that right ? 번역(ko): 그래서: 경찰은 우리가 연락하는 것을 원하지 않습니다. 하지만 국정원은 우리가 연락하기를 원합니까? 그때요?	Input (en): So: Police does not want us to contact. But NIS does want us to contact? Is that right ? Translation (ko): So: The police do not want us to contact them. But does the NIS want us to contact them? Is that right?	2025-12-06 18:23:34	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 경찰 : 반대하지는 않지만 그 책임은 쿠팡에 있다. 번역(en): Police : I'm not against it, but the responsibility lies with Coupang.	Input (ko): Police: I'm not against it, but the responsibility lies with Coupang. Translation (en): Police : I'm not against it, but the responsibility lies with Coupang.	2025-12-06 18:25:26	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Police : I'm not against it, but the responsibility lies with Coupang. 번역(ko): 경찰 : 저는 반대하지 않지만, 책임은 쿠팡에 있습니다.	Input (en): Police : I'm not against it, but the responsibility lies with Coupang. Translation (ko): Police : I'm not against it, but the responsibility lies with Coupang.	2025-12-06 18:34:50	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Let's have a call tomorrow to discuss. We would also need leadership alignment 번역(ko): 내일 통화를 통해 논의해 보겠습니다. 리더십 정렬도 필요합니다	Input (en): Let's have a call tomorrow to discuss. We would also need leadership alignment Translation (ko): Let's discuss this over the phone tomorrow. We also need leadership alignment	2025-12-06 18:34:57	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 국정원 답변 기다리고 있습니다. 번역(en): I'm waiting for the NIS' response.	Input (ko): I am waiting for the NIS's response. Translation (en): I'm waiting for the NIS' response.	2025-12-08 14:38:39	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 국정원 의견 : 용의자가 위챗에 남긴 마지막 대화글에 쿠팡 법무팀을 언급하고 있다. 마치 용의자가 쿠팡 법무팀의 연락을 기다린다는 의미로도 해석된다. 따라서 용의자에 대한 최초 접촉은 쿠팡 법무팀이 하는것이 자연스럽다. 번역(en): NIS Opinion: The suspect is referring to Coupang's legal team in the last conversation he left on WeChat. It also means that the suspect waits for a call from Coupang's legal team. Therefore, it is natural for Coupang's legal team to make initial contact with the suspect.	Input (ko): NIS Opinion: The suspect mentions Coupang's legal team in the last message he left on WeChat. This can also be interpreted to mean that the suspect is waiting for a call from Coupang's legal team. Therefore, it is natural for Coupang's legal team to make the initial contact with the suspect. Translation (en): NIS Opinion: The suspect is referring to Coupang's legal team in the last conversation he left on WeChat. It also means that the suspect waits for a call from Coupang's legal team. Therefore, it is natural for Coupang's legal team to make initial contact with the suspect.	2025-12-08 16:00:36	2026-2572_1_SM-5931N_FullFilesystem_20260414

Naver Papago	Active	Naver Papago	Translation	입력(ko): 국정원 의견 - 용의자가 위챗에 남긴 마지막 대화글에 쿠팡 법무팀을 언급하고 있다. 마치 용의자가 쿠팡 법무팀의 연락을 기다린다는 의미로도 해석된다. 따라서 용의자에 대한 최초 접촉은 쿠팡 법무팀이 하는것이 자연스럽다. 제3의 기관에서 용의자에게 접촉할 경우 용의자는 한국의 경찰이라고 의심할 수 있을것 같다. 번역(en): NIS opinion: The suspect refers to the Coupang legal team in the last message he left on WeChat. It can also be dismissed as if the suspect is waiting for a call from the Coupang legal team. Therefore, it is natural for the Coupang legal team to make initial contact with the suspect. If a third party contacts a suspect, it seems that the suspect may be suspected to be a Korean police officer.	Input (ko): NIS Opinion: The suspect mentions Coupang's legal team in the last message he left on WeChat. This can also be interpreted to mean that the suspect is waiting for a call from Coupang's legal team. Therefore, it is natural for Coupang's legal team to make initial contact with the suspect. If a third-party agency contacts the suspect, the suspect might suspect that it is the Korean police. Translation (en): NIS opinion: The suspect refers to the Coupang legal team in the last message he left on WeChat. It can also be dismissed as if the suspect is waiting for a call from the Coupang legal team. Therefore, it is natural for the Coupang legal team to make initial contact with the suspect. If a third party contacts a suspect, it seems that the suspect may be suspected to be a Korean police officer.	2025-12-08 16:02:29	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): NIS opinion: The suspect refers to the Coupang legal team in the last message he left on WeChat. It can also be dismissed as if the suspect is waiting for a call from the Coupang legal team. Therefore, it is natural for the Coupang legal team to make initial contact with the suspect. If a third party contacts a suspect, it seems that the suspect may be suspected to be a Korean police officer. 번역(ko): 국정원 의견 - 피의자는 위챗에 남긴 마지막 메시지에서 쿠팡 법무팀을 언급합니다. 피의자가 쿠팡 법무팀의 전화를 기다리는 것처럼 기각할 수도 있습니다. 따라서 쿠팡 법무팀이 피의자와 최초 접촉하는 것은 당연한 일입니다. 제3자가 피의자에게 연락하면 피의자가 한국 경찰관으로 의심받을 수 있는 것 같습니다.	Input (en): NIS opinion: The suspect refers to the Coupang legal team in the last message he left on WeChat. It can also be dismissed as if the suspect is waiting for a call from the Coupang legal team. Therefore, it is natural for the Coupang legal team to make initial contact with the suspect. If a third party contacts a suspect, it seems that the suspect may be suspected to be a Korean police officer. Translation (ko): NIS opinion: The suspect mentions the Coupang legal team in the last message he left on WeChat. It could also be interpreted as the suspect waiting for a call from the Coupang legal team. Therefore, it is natural for the Coupang legal team to make initial contact with the suspect. If a third party contacts the suspect, it seems the suspect could be suspected of being a Korean police officer.	2025-12-08 16:05:27	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): That's not correct - the suspect said he would contact legal team. 번역(ko): 용의자는 법무팀에 연락하겠다고 말했습니다. 법무팀이 그에게 연락할 수 없습니다	Input (en): That's not correct - the suspect said he would contact legal team. Not for legal team to contact him Translation (ko): The suspect said he would contact the legal team. The legal team cannot contact him	2025-12-08 16:05:34	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): He has not contacted legal team 번역(ko): 그는 법무팀에 연락하지 않았습니다	Input (en): He has not contacted legal team Translation (ko): He has not contacted the legal team	2025-12-08 16:05:50	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 네, 용의자는 자신이 쿠팡 법무팀에 연락할것이라고 언급했습니다. 그 의미는 다른 관점에서 보면 쿠팡 법무팀에서 용의자 자신에게 연락해주길 바래서 그런게 아닐까 하는 판단도 든다는 점입니다. 번역(en): Yes. The suspect mentioned that he would contact Coupang's legal team. What it means is that from a different point of view, Coupang's legal team wants the suspect to contact him.	Input (ko): Yes. The suspect mentioned that he would contact Coupang's legal team. From another perspective, this suggests that Coupang's legal team may be hoping the suspect will contact them. Translation (en): Yes. The suspect mentioned that he would contact Coupang's legal team. What it means is that from a different point of view, Coupang's legal team wants the suspect to contact him.	2025-12-08 16:07:51	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Yes. The suspect mentioned that he would contact Coupang's legal team. What it means is that from a different point of view, Coupang's legal team wants the suspect to contact him. 번역(ko): 네, 용의자는 쿠팡 법무팀에 연락하겠다고 언급했습니다. 다른 관점에서 보면 쿠팡 법무팀이 용의자가 연락하기를 원한다는 뜻입니다.	Input (en): Yes. The suspect mentioned that he would contact Coupang's legal team. What it means is that from a different point of view, Coupang's legal team wants the suspect to contact him. Translation (ko): Yes. The suspect mentioned that he would contact Coupang's legal team. From another perspective, this implies that Coupang's legal team wants the suspect to contact them.	2025-12-08 16:11:44	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): What if Korea legal tell suspect that a third party will then contact him? 번역(ko): 만약 한국 법이 용의자에게 제3자가 그에게 연락할 것이라고 말한다면 어떻게 될까요?	Input (en): What if Korea legal tell suspect that a third party will then contact him? Translation (ko): What if the Korean legal team tells the suspect that a third party will contact him?	2025-12-08 16:53:15	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): I think you need to make it clear it's coupang korea legal team 번역(ko): 쿠팡 코리아 법무팀임을 분명히 말씀해 주셔야 할 것 같습니다	Input (en): I think you need to make it clear it's coupang korea legal team Translation (ko): I think you need to make it clear that it's Coupang Korea's legal team.	2025-12-08 20:04:42	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): NIS : 용의자는 현재 주소지에 거주중. 어디에 출근을 하고 있거나 적극적으로 새로운 직장을 알아보고 있지는 않은 것 같다. 번역(en): NIS: Suspect is currently residing at his address. It appears he is not going to work or actively looking for a new job.	Input (ko): NIS: The suspect is currently residing at his address. It does not appear that he is going to work or actively looking for a new job. Translation (en): NIS: Suspect is currently residing at his address. It appears he is not going to work or actively looking for a new job.	2025-12-08 20:06:37	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): NIS : CM Security 라는 업체 잘 모르겠다. 번역(en): NIS : I am not sure about the company called CM Security.	Input (ko): NIS: I'm not familiar with a company called CM Security. Translation (en): NIS : I am not sure about the company called CM Security.	2025-12-09 11:23:35	2026-2572_1_SM-5931N_FullFilesystem_20260414

Naver Papago	Active	Naver Papago	Translation	입력(ko): NIS : CM Security 라는 업체 잘 모르겠다. Mandiant는 불가능한지? 번역(en): NIS : CM Security, I'm not sure. Is Mandiant impossible?	Input (ko): NIS: I'm not sure about the company called CM Security. Is Mandiant impossible? Translation (en): NIS : CM Security, I'm not sure. Is Mandiant impossible?	2025-12-09 11:23:56	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): NIS : CM Security, I'm not sure. Is Mandiant impossible? 번역(ko): NIS: CM 보안, 잘 모르겠어요. 맨디언트는 불가능한가요?	Input (en): NIS : CM Security, I'm not sure. Is Mandiant impossible? Translation (ko): NIS: CM Security, I'm not sure. Is Mandiant impossible?	2025-12-09 11:33:10	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Mandiant will be slow to get ready - we can ask; but CNS are ready now 번역(ko): 맨디언트는 준비가 느릴 것입니다. 물어볼 수 있지만 CNS는 이제 준비되었습니다	Input (en): Mandiant will be slow to get ready - we can ask; but CNS are ready now Translation (ko): Mandiant will be slow to get ready - we can ask; but CNS is now ready	2025-12-09 11:33:15	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 맨디언트는 준비가 느릴 것입니다. 물어볼 수 있지만 CNS는 이제 준비되었습니다 번역(en): Mandiant will be slow to prepare - can ask but CNS is now ready	Input (ko): Mandiant will be slow to get ready - we can ask; but CNS is ready now Translation (en): Mandiant will be slow to prepare - can ask but CNS is now ready	2025-12-09 11:33:17	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): ㅈ · 오늘 오후1시에 국정원과 만날예정. 국정원에서 추천해줄만한 업체가 있는지도 고민해보겠다고 한다. 번역(en): I will meet with the National Intelligence Service at 1 p.m. today. He said he would consider if there was a company that the National Intelligence Service could recommend.	Input (ko): I am scheduled to meet with the National Intelligence Service at 1 p.m. today. He said he would consider whether there is a company the National Intelligence Service could recommend. Translation (en): I will meet with the National Intelligence Service at 1 p.m. today. He said he would consider if there was a company that the National Intelligence Service could recommend.	2025-12-09 11:34:26	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 저는 오늘 오후1시에 국정원과 만날예정. 국정원에서 추천해줄만한 업체가 있는지도 고민해보겠다고 한다. 번역(en): I will meet with the National Intelligence Service at 1 p.m. today. He said he will consider whether there is a company that the NIS can recommend.	Input (ko): I am scheduled to meet with the National Intelligence Service at 1 p.m. today. He said he would consider whether there is a company that the NIS could recommend. Translation (en): I will meet with the National Intelligence Service at 1 p.m. today. He said he will consider whether there is a company that the NIS can recommend.	2025-12-09 11:34:40	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): I will meet with the National Intelligence Service at 1 p.m. today. He said he will consider whether there is a company that the NIS can recommend. 번역(ko): 오늘 오후 1시에 국정원과 만날 예정입니다. 국정원이 추천할 만한 회사가 있는지 검토하겠다고 했습니다.	Input (en): I will meet with the National Intelligence Service at 1 p.m. today. He said he will consider whether there is a company that the NIS can recommend. Translation (ko): I am scheduled to meet with the National Intelligence Service at 1 p.m. today. He said he would consider whether there is a company that the NIS could recommend.	2025-12-09 11:35:33	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Do you want us to ask mandiant 번역(ko): 우리가 mandiant에게 물어보기를 원하십니까	Input (en): Do you want us to ask mandiant Translation (ko): Do you want us to ask Mandiant?	2025-12-09 11:35:38	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver	Active	Naver	Translation	[Redacted ACP]	[Redacted ACP]	2025-12-09 12:47:49	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver	Active	Naver	Translation	[Redacted ACP/Work Product]	[Redacted ACP/Work Product]	2025-12-09 12:48:02	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): But we getting confirmation we csn Use Palo 번역(ko): 하지만 확인을 받았습니다 팔로 사용	Input (en): But we getting confirmation we csn Use Palo Translation (ko): But we've received confirmation to use Palo	2025-12-09 12:50:27	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 그들과 논의해보고 보고 드리겠습니다. 번역(en): I'll discuss it with them and report to you.	Input (ko): I'll discuss it with them and report back to you. Translation (en): I'll discuss it with them and report to you.	2025-12-09 12:51:47	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): CNS는 중국에 특화되어있다고 홍보하는데 오히려 이부분 때문에 의심스럽다. (중국과의 친분) 그리고 미국업체보다는 한국업체가 좋을 것 같다. 미국에 기반을 둔 업체는 한국 수사기관, 정보기관에 비협조적이고 소통이 원활하지 않다. 국정원에서 추천할 수 있는 업체를 찾아본다고 한다. 번역(en): CNS promotes itself as specialized in China, but this is rather doubtful. (Friendly relations with China) And Korean companies would be better than American companies. Companies based in the U.S. are uncooperative with Korean investigative agencies and intelligence agencies, and do not want communication. They are said to look for companies that the NIS can recommend.	Input (ko): CNS promotes itself as specialized in China, but this is rather doubtful. (Friendly relations with China) And Korean companies would be better than American companies. Companies based in the U.S. are uncooperative with Korean investigative and intelligence agencies, and communication is not smooth. They say they will look for a company that the National Intelligence Service can recommend. Translation (en): CNS promotes itself as specialized in China, but this is rather doubtful. (Friendly relations with China) And Korean companies would be better than American companies. Companies based in the U.S. are uncooperative with Korean investigative agencies and intelligence agencies, and do not want communication. They are said to look for companies that the NIS can recommend.	2025-12-09 13:13:41	2026-2572_1_SM-5931N_FullFilesystem_20260414

Naver Papago	Active	Naver Papago	Translation	입력(ko): CNS는 중국에 특화되어있다고 홍보하는데 오히려 일부분 때문에 의심스럽다. (중국과의 친분) 그리고 미국업체보다는 한국업체가 좋을 것 같다. 미국에 기반을 둔 업체는 한국 수사기관, 정보기관에 비협조적이고 소통이 어렵다. 국정원에서 추천할 수 있는 업체를 찾아본다고 한다. 번역(en): CNS promotes itself as specialized in China, but this is rather doubtful. (Friendly relations with China) And Korean companies would be better than American companies. Companies based in the U.S. are uncooperative with Korean investigative agencies and intelligence agencies, and cannot communicate with them. They say they are looking for companies that the NIS can recommend.	Input (ko): CNS promotes itself as specialized in China, but this is rather doubtful. (Friendly relations with China) And Korean companies would be better than American companies. Companies based in the U.S. are uncooperative with Korean investigative agencies and intelligence agencies, and communication is difficult. They are said to be looking for companies that the NIS can recommend. Translation (en): CNS promotes itself as specialized in China, but this is rather doubtful. (Friendly relations with China) And Korean companies would be better than American companies. Companies based in the U.S. are uncooperative with Korean investigative agencies and intelligence agencies, and cannot communicate with them. They say they are looking for companies that the NIS can recommend.	2025-12-09 13:14:42	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 같은 의미로 용의자와의 대화는 쿠팡에서 번역(en): In the same sense, the conversation with the suspect is on Coupang	Input (ko): In the same sense, the conversation with the suspect is on Coupang Translation (en): In the same sense, the conversation with the suspect is on Coupang	2025-12-09 13:18:42	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 미국의 보안업체는 한국 수사기관과 정보기관에 비협조적이라고 판단한다. 특히 팔로알토 같은 기업은 맨디안트와 비교해서 뛰어나다고 판단하지 않는다. 한국 정보기관과 수사기관과 소통이 잘 되는 업체가 선정되었으면 한다. 번역(en): US security companies judge that they are uncooperative to Korean investigative agencies and intelligence agencies. In particular, companies such as Palo Alto do not judge them to be superior compared to Mandiant. I hope a company that can communicate well with Korean intelligence agencies and investigative agencies will be selected.	Input (ko): US security firms are deemed uncooperative with Korean investigative and intelligence agencies. In particular, companies like Palo Alto are not considered superior to Mandiant. I hope a company that can communicate effectively with Korean intelligence and investigative agencies is selected. Translation (en): US security companies judge that they are uncooperative to Korean investigative agencies and intelligence agencies. In particular, companies such as Palo Alto do not judge them to be superior compared to Mandiant. I hope a company that can communicate well with Korean intelligence agencies and investigative agencies will be selected.	2025-12-09 13:30:43	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 다양한 IT 보안분야가 있지만 가장 중요한 것은 데이터의 복구 능력, 로그 분석을 통한 데이터의 이동을 추적할 수 있는 능력이 특화되어야 함. 번역(en): There are various IT security areas, but most importantly, the ability to recover data and track the movement of data through log analysis must be specialized.	Input (ko): There are various IT security fields, but the most important thing is that the ability to recover data and track data movement through log analysis must be specialized. Translation (en): There are various IT security areas, but most importantly, the ability to recover data and track the movement of data through log analysis must be specialized.	2025-12-09 13:40:38	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Ok so are they OK with mandient ? if mandient also accepts 번역(ko): 그렇다면 맨디언트도 괜찮나요? 맨디언트도 수락하면 됩니다	Input (en): Ok so are they OK with mandient ? if mandient also accepts Translation (ko): Then is Mandiant okay? It's fine if Mandiant accepts	2025-12-09 13:42:06	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 맨티언트는 즉시 여기에 합류할 수 있나요? 번역(en): Is the mantient able to join here immediately?	Input (ko): Can Mantient join here immediately? Translation (en): Is the mantient able to join here immediately?	2025-12-09 13:42:29	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): We need to find out - I imagine they will need 24 hrs - we need to check with them 번역(ko): 우리는 그들이 24시간이 필요할 것이라고 생각합니다. 우리는 그들에게 확인해야 합니다	Input (en): We need to find out - I imagine they will need 24 hrs - we need to check with them Translation (ko): We think they will need 24 hours. We need to check with them	2025-12-09 13:44:02	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 우리는 그들이 24시간이 필요할 것이라고 생각합니다. 우리는 그들에게 확인해야 합니다 번역(en): We think they will need 24 hours. We need to check with them	Input (ko): We think they will need 24 hours. We need to check with them Translation (en): We think they will need 24 hours. We need to check with them	2025-12-09 13:45:09	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 맨디언트와 계약체결은 하지말고 즉시 참여가 가능한지를 먼저 확인해달라고 합니다. 번역(en): Don't sign a contract with Mandiant and ask him to check if he can participate immediately.	Input (ko): They say not to sign a contract with Mandiant and to ask them first if they can participate immediately. Translation (en): Don't sign a contract with Mandiant and ask him to check if he can participate immediately.	2025-12-09 13:46:10	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Don't sign a contract with Mandiant and ask him to check if he can participate immediately. 번역(ko): 맨디언트와 계약을 체결하고 즉시 참여할 수 있는지 확인해 달라고 요청하지 마세요.	Input (en): Don't sign a contract with Mandiant and ask him to check if he can participate immediately. Translation (ko): Do not sign a contract with Mandiant and ask them to check if they can participate immediately.	2025-12-09 13:47:09	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver	Active	Naver	Translation	[Redacted ACP/Work Product]	[Redacted ACP/Work Product]	2025-12-09 13:47:19	2026-2572_1 SM-5931N FullFilesystem 20260414
Naver	Active	Naver	Translation	[Redacted ACP/Work Product]	[Redacted ACP/Work Product]	2025-12-09 13:47:49	2026-2572_1 SM-5931N FullFilesystem 20260414

Naver Papago	Active	Naver Papago	Translation	입력(ko): 협상 : 혹시 우리가 이것을 시도하는게 가능할까요? 1. 쿠팡과 용의자가 대화를 시도해서 다음의 내용을 설득한다. (우리가 용의자와 대화한 사실은 경찰에게 공유하지 않는다.) 2. 용의자가 쿠팡 법무팀에 이메일을 보낸다. - "나는 기꺼이 쿠팡의 조사에 협조할 것이며 노트북의 제공과 기술 분석에 협조할 의사가 있다. 또한 나는 기꺼이 쿠팡과 중국에서 만날 수 있다." (이부분 부터 경찰에 공유한다.) 번역(en): Negotiation: Is it possible for us to try this? 1. Coupang and the suspect try to talk and convince the police of the following. (We don't share the fact that we talked to the suspect.) 2. Suspect sends an email to Coupang legal team. - "I'm willing to cooperate with Coupang's investigation, and I'm willing to cooperate with its provision and technical analysis. Also, I'm willing to meet with Coupang in China." (I share this with the police.)	Input (ko): Negotiation: Is it possible for us to try this? 1. Coupang and the suspect attempt to communicate to persuade him of the following points. (We will not disclose to the police that we have spoken with the suspect.) 2. The suspect sends an email to Coupang's legal team. - "I am willing to cooperate with Coupang's investigation and am willing to provide my laptop and assist with technical analysis. I am also willing to meet with Coupang in China." (We will share this part with the police.) Translation (en): Negotiation: Is it possible for us to try this? 1. Coupang and the suspect try to talk and convince the police of the following. (We don't share the fact that we talked to the suspect.) 2. Suspect sends an email to Coupang legal team. - "I'm willing to cooperate with Coupang's investigation, and I'm willing to cooperate with its provision and technical analysis. Also, I'm willing to meet with Coupang in China." (I share this with the police.)	2025-12-09 13:48:08	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 협상 : 혹시 우리가 이것을 시도하는게 가능할까요? 쿠팡과 용의자가 대화를 시도해서 아래의 내용을 설득한다. (우리가 용의자와 대화한 사실은 경찰에게 공유하지 않는다.) - 용의자가 쿠팡 법무팀에 이메일을 보낸다. - "나는 기꺼이 쿠팡의 조사에 협조할 것이며 노트북의 제공과 기술 분석에 협조할 의사가 있다. 또한 나는 기꺼이 쿠팡과 중국에서 만날 수 있다." (이부분 부터 경찰에 공유한다.) 번역(en): Negotiation: Is it possible for us to try this? Coupang and the suspect try to talk and persuade the following. (We don't share our conversation with the suspect to the police.) - Suspect sends an email to Coupang legal team. - "I'm willing to cooperate with Coupang's investigation, and I'm willing to cooperate with its provision and technical analysis. Also, I'm willing to meet with Coupang in China." (I share this with the police.)	Input (ko): Negotiation: Is it possible for us to try this? Coupang and the suspect attempt to talk and persuade the police of the following. (We do not share the fact that we spoke with the suspect with the police.) - The suspect sends an email to Coupang's legal team. - "I am willing to cooperate with Coupang's investigation and assist with the provision of the laptop and technical analysis. I am also willing to meet with Coupang in China." (We share this part with the police.) Translation (en): Negotiation: Is it possible for us to try this? Coupang and the suspect try to talk and persuade the following. (We don't share our conversation with the suspect to the police.) - Suspect sends an email to Coupang legal team. - "I'm willing to cooperate with Coupang's investigation, and I'm willing to cooperate with its provision and technical analysis. Also, I'm willing to meet with Coupang in China." (I share this with the police.)	2025-12-09 13:51:06	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Negotiation: Is it possible for us to try this? Coupang and the suspect try to talk and persuade the following. (We don't share our conversation with the suspect to the police.) - Suspect sends an email to Coupang legal team. - "I'm willing to cooperate with Coupang's investigation, and I'm willing to cooperate with its provision and technical analysis. Also, I'm willing to meet with Coupang in China." (I share this with the police.) 번역(ko): 협상: 이것을 시도해 볼 수 있을까요? 쿠팡과 용의자는 다음과 같은 대화와 설득을 시도합니다. (우리는 용의자와의 대화를 경찰에 공유하지 않습니다.) - 용의자가 쿠팡 법무팀에 이메일을 보냅니다. - "쿠팡의 수사에 협조할 의향이 있으며, 쿠팡의 제공 및 기술 분석에도 협조할 의향이 있습니다. 또한 중국에서 쿠팡과 만날 의향이 있습니다." (경찰과 공유합니다.)	Input (en): Negotiation: Is it possible for us to try this? Coupang and the suspect try to talk and persuade the following. (We don't share our conversation with the suspect to the police.) - Suspect sends an email to Coupang legal team. - "I'm willing to cooperate with Coupang's investigation, and I'm willing to cooperate with its provision and technical analysis. Also, I'm willing to meet with Coupang in China." (I share this with the police.) Translation (ko): Negotiation: Can we try this? Coupang and the suspect attempt the following dialogue and persuasion. (We do not share our conversation with the suspect with the police.) - The suspect sends an email to Coupang's legal team. - "I am willing to cooperate with Coupang's investigation, and I am willing to cooperate with its data provision and technical analysis. I am also willing to meet with Coupang in China." (I share this with the police.)	2025-12-09 13:53:17	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 한국 쿠팡 직원 그리고 보안기업 번역(en): Korean Coupang employees and security companies	Input (ko): Korean Coupang employees and security companies Translation (en): Korean Coupang employees and security companies	2025-12-09 13:54:18	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Korean Coupang employees and security companies 번역(ko): 한국 쿠팡 직원 및 보안 회사	Input (en): Korean Coupang employees and security companies Translation (ko): Korean Coupang employees and security companies	2025-12-09 13:55:06	2026-2572_1_SM-5931N_FullFilesystem_20260414

Naver Papago	Active	Naver Papago	Translation	입력(en): Seriously ? You do realize how much danger that puts them in in mainland China 번역(ko): 정말요? 중국 본토에서 그들이 얼마나 큰 위험에 처해 있는지 알고 계실 겁니다	Input (en): Seriously ? You do realize how much danger that puts them in in mainland China Translation (ko): Seriously? You must realize how much danger they are in on the Chinese mainland	2025-12-09 13:55:14	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): It's clear this is a NIS operation - 번역(ko): 이것이 국정원 작전임이 분명합니다. -	Input (en): It's clear this is a NIS operation - Translation (ko): It is clear that this is an NIS operation. -	2025-12-09 13:55:29	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 이것이 국정원 작전임이 분명합니다. - 번역(en): It is clear that this is an NIS operation. -.	Input (ko): It is clear that this is an NIS operation. - Translation (en): It is clear that this is an NIS operation. -.	2025-12-09 13:55:49	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): NIS는 다양한 방식을 고민하고 있다. 번역(en): NIS is contemplating a variety of ways.	Input (ko): The NIS is considering various approaches. Translation (en): NIS is contemplating a variety of ways.	2025-12-09 13:56:38	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 그런데 어떠한 형식의 만남이든지 국정원은 적어도 내가 그곳에 가길 원한다. 번역(en): But whatever the format of the meeting, the NIS at least wants me to go there.	Input (ko): However, regardless of the format of the meeting, the NIS at least wants me to go there. Translation (en): But whatever the format of the meeting, the NIS at least wants me to go there.	2025-12-09 13:58:01	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 네 왜냐하면 실시간 그들과 소통하는 쿠방 직원을 필요로 한다. 번역(en): Yes because we need Coupang staff who communicate with them in real time.	Input (ko): Yes, because they need Coupang staff who can communicate with them in real time. Translation (en): Yes because we need Coupang staff who communicate with them in real time.	2025-12-09 14:00:38	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 지금 우리가 시도하는 것은 어디까지나 회사가 용의자와 대화하는 것이니까. 번역(en): What we're trying to do now is for the company to talk to the suspect.	Input (ko): After all, what we're trying to do now is for the company to talk to the suspect. Translation (en): What we're trying to do now is for the company to talk to the suspect.	2025-12-09 14:02:46	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 잘 이해했습니다. 우리의 생각을 잘 전달하겠습니다. 번역(en): Well understood, I will communicate our thoughts well.	Input (ko): Understood. I will convey our thoughts clearly. Translation (en): Well understood, I will communicate our thoughts well.	2025-12-09 14:12:46	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 국정원 추천 업체 : Plain bit 번역(en): National Intelligence Service Recommendation Company: Plain bit	Input (ko): National Intelligence Service Recommended Company: Plain bit Translation (en): National Intelligence Service Recommendation Company: Plain bit	2025-12-09 14:35:38	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): National Intelligence Service Recommendation Company: Plain bit 번역(ko): 국가정보원 추천 회사: 플레인 비트	Input (en): National Intelligence Service Recommendation Company: Plain bit Translation (ko): National Intelligence Service Recommendation Company: Plain bit	2025-12-09 15:11:51	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 그러면 쿠방 원하는대로 하라고 합니다. 번역(en): Then they tell me to do whatever Coupang wants.	Input (ko): Then they tell me to do whatever Coupang wants. Translation (en): Then they tell me to do whatever Coupang wants.	2025-12-09 15:13:44	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Then they tell me to do whatever Coupang wants. 번역(ko): 그러면 쿠방이 원하는 대로 하라고 합니다.	Input (en): Then they tell me to do whatever Coupang wants. Translation (ko): Then they tell me to do whatever Coupang wants.	2025-12-09 15:20:02	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Is there a strong reason why nis can't partner with CNs - they do this job ; they are a Korean company 번역(ko): 국정원이 CN과 협력할 수 없는 강력한 이유가 있나요? 그들은 이 일을 합니다. 그들은 한국 회사입니다	Input (en): Is there a strong reason why nis can't partner with CNs - they do this job ; they are a Korean company Translation (ko): Is there a strong reason why the NIS cannot cooperate with CN? They do this work. They are a Korean company	2025-12-09 15:20:09	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 국정원이 CN과 협력할 수 없는 강력한 이유가 있나요? 그들은 이 일을 합니다. 그들은 한국 회사입니다 번역(en): Is there a strong reason why the NIS cannot cooperate with CN? They do this. They are a Korean company	Input (ko): Is there a strong reason why the NIS cannot cooperate with CN? They do this. They are a Korean company Translation (en): Is there a strong reason why the NIS cannot cooperate with CN? They do this. They are a Korean company	2025-12-09 15:20:13	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 중국과 친하다는 의심 번역(en): suspicion of being close to China	Input (ko): Suspicion of being close to China Translation (en): suspicion of being close to China	2025-12-09 15:22:14	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 네. 그들이 가능하다고 합니다. 무엇보다 한국정부가 그들의 분석 결과를 신뢰한다고 합니다. KISA, 경찰 전부 그들과 자주 협업합니다. 번역(en): Yes. They say they can. Above all, the Korean government believes in their analysis results. KISA and the police all collaborate with them often.	Input (ko): Yes. They say they can. Above all, the Korean government believes in their analysis results. KISA and the police all collaborate with them often. Translation (en): Yes. They say they can. Above all, the Korean government believes in their analysis results. KISA and the police all collaborate with them often.	2025-12-09 15:23:47	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Yes. They say they can. Above all, the Korean government believes in their analysis results. KISA and the police all collaborate with them often. 번역(ko): 네. 가능하다고 합니다. 무엇보다도 한국 정부는 그들의 분석 결과를 믿고 있습니다. KISA와 경찰은 모두 이들과 자주 협업합니다.	Input (en): Yes. They say they can. Above all, the Korean government believes in their analysis results. KISA and the police all collaborate with them often. Translation (ko): Yes. They say they can. Above all, the Korean government believes in their analysis results. KISA and the police all collaborate with them often.	2025-12-09 15:47:21	2026-2572_1_SM-5931N_FullFilesystem_20260414

Naver Papago	Active	Naver Papago	Translation	입력(en): Can I make a suggestion: why don't we have [REDACTED – COUPANG EMPLOYEE 3] speak to the contact at Plainbit - to ensure they can definitely do everything we need. We only have 1 shot at this so we should be sure 번역(ko): 제안 하나 드려도 될까요? [REDACTED – COUPANG EMPLOYEE 3] 이 플레인비트의 연락처와 통화하도록 해서 그들이 우리가 필요한 모든 것을 확실히 할 수 있도록 하는 게 어떨까요. 우리는 이것에 대해 단 한 번의 기회만 있으므로 확실히 해야 합니다	Input (en): Can I make a suggestion: why don't we have [REDACTED – COUPANG EMPLOYEE 3] speak to the contact at Plainbit - to ensure they can definitely do everything we need. We only have 1 shot at this so we should be sure Translation (ko): May I make a suggestion? How about having [REDACTED – COUPANG EMPLOYEE 3] speak to the contact at Plainbit to ensure they can definitely handle everything we need? We only have one shot at this, so we need to be sure.	2025-12-09 15:47:31	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 제안 하나 드려도 될까요? [REDACTED – COUPANG EMPLOYEE 3] 이 플레인비트의 연락처와 통화하도록 해서 그들이 우리가 필요한 모든 것을 확실히 할 수 있도록 하는 게 어떨까요. 우리는 이것에 대해 단 한 번의 기회만 있으므로 확실히 해야 합니다 번역(en): May I offer you a suggestion? Why don't we have [REDACTED – COUPANG EMPLOYEE 3] speak to Plainbeat's contact so they can make sure we do everything we need. We only have one chance on this, so we have to make sure	Input (ko): May I offer a suggestion? Why don't we have [REDACTED – COUPANG EMPLOYEE 3] speak to Plainbit's contact to ensure they can definitely handle everything we need? We only have one chance at this, so we have to be sure. Translation (en): May I offer you a suggestion? Why don't we have [REDACTED – COUPANG EMPLOYEE 3] speak to Plainbeat's contact so they can make sure we do everything we need. We only have one chance on this, so we have to make sure	2025-12-09 15:47:39	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 네 회의를 해서 말씀드리겠습니다. 번역(en): Yes, I'll have a meeting and tell you.	Input (ko): I'll have a meeting and let you know. Translation (en): Yes, I'll have a meeting and tell you.	2025-12-09 15:48:12	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 그의 전화번호가 필요할 거다. 번역(en): I'll need his phone number.	Input (ko): I'll need his phone number. Translation (en): I'll need his phone number.	2025-12-09 17:42:04	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Let us know if he replies 번역(ko): 그가 답장을 하면 알려주세요	Input (en): Let us know if he replies Translation (ko): Let us know if he replies	2025-12-09 18:21:02	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): So they didn't accuse us of being non cooperative, right? 번역(ko): 그래서 그들은 우리가 비협조적이라고 비난하지 않았나요?	Input (en): So they didn't accuse us of being non cooperative, right? Translation (ko): So they didn't accuse us of being uncooperative, right?	2025-12-09 21:53:39	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): NIS: 너무 오래 기다리지 말고 용의자가 마지막 으로 메시지를 남긴 뒤 첫 번째 그룹채팅방에 있는 누군가를 통해서 거기에 메시지를 하나 남기라고 합니다. "여러분. 구광 법무팀에서 그에게 메시지를 보냈다고 합니다. 즉시 연락 가능한 사람있으면 개인적으로 전달 좀 해주세요." 번역(en): NIS: Don't wait too long and let's leave a message there through someone in the WeChat group chat room where the suspect left his last message. "Everyone. Coupang's legal team sent him a message. If anyone is available, please pass it on to him personally."	Input (ko): NIS: Don't wait too long. Let's leave a message there through someone in the WeChat group chat where the suspect left his last message. "Everyone. Coupang's legal team says they sent him a message. If anyone can contact him, please pass it on privately." Translation (en): NIS: Don't wait too long and let's leave a message there through someone in the WeChat group chat room where the suspect left his last message. "Everyone. Coupang's legal team sent him a message. If anyone is available, please pass it on to him personally."	2025-12-10 12:02:10	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 너무 오래 기다리지 말고 용의자가 마지막 으로 메시지를 남긴 뒤 첫 번째 그룹채팅방에 있는 누군가를 통해서 거기에 메시지를 하나 남기는 게 어떨까요? 예들들면 [REDACTED – WECHAT PARTICIPANT]님이 "여러분. 구광 한국 법무팀에서 그에게 메시지를 보냈다고 합니다. 즉시 연락 가능한 사람있으면 개인적으로 전달 좀 해주세요." 번역(en): Why don't you leave a message there through someone in the WeChat group chat room, where the suspect left his last message, instead of waiting too long? For example, [REDACTED – WECHAT PARTICIPANT] said, "Hey, Coupang Korea's legal team sent him a message. If anyone can contact you, please let me know privately."	Input (ko): Instead of waiting too long, why don't we leave a message there through someone in the WeChat group chat where the suspect left his last message? For example, [REDACTED – WECHAT PARTICIPANT] said, "Everyone. I heard Coupang Korea's legal team sent him a message. If anyone can contact him, please pass it on to him personally." Translation (en): Why don't you leave a message there through someone in the WeChat group chat room, where the suspect left his last message, instead of waiting too long? For example, [REDACTED – WECHAT PARTICIPANT] said, "Hey, Coupang Korea's legal team sent him a message. If anyone can contact you, please let me know privately."	2025-12-10 12:05:31	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 그 방에 있는 직원 누군가가 용의자에게 전달하라는 뜻 번역(en): It means someone in the room should pass it on to the suspect	Input (ko): It means someone in the group should pass it on to the suspect Translation (en): It means someone in the room should pass it on to the suspect	2025-12-10 12:07:59	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): [REDACTED – TRANSLATOR] can translate my call to actor. May I call him? Or should I call after we discuss the scenario? 번역(ko): [REDACTED – TRANSLATOR]가 제 전화를 배우에게 통역해 줄 수 있습니다. 제가 그에게 전화해도 될까요? 아니면 시나리오에 대해 논의한 후에 전화해야 할까요?	Input (en): [REDACTED – TRANSLATOR] can translate my call to actor. May I call him? Or should I call after we discuss the scenario? Translation (ko): [REDACTED – TRANSLATOR] can translate my call to the actor. May I call him? Or should I call after we discuss the scenario?	2025-12-10 22:55:55	2026-2572_1_SM-5931N_FullFilesystem_20260414

Naver Papago	Active	Naver Papago	Translation	입력(ko): NIS에서 파악한 용의자에 대한 정보들이 있습니다. 내일 회의에서 설명드리고 싶습니다. 그리고 회의 후 곧바로 용의자에 전화하면 좋겠습니다. 번역(en): I have some information about the suspect that NIS has identified. I'd like to explain it to you at tomorrow's meeting. And I hope you can call the suspect right after the meeting.	Input (ko): I have some information about the suspect that the NIS has identified. I'd like to explain it to you at tomorrow's meeting. And I hope you can call the suspect right after the meeting. Translation (en): I have some information about the suspect that NIS has identified. I'd like to explain it to you at tomorrow's meeting. And I hope you can call the suspect right after the meeting.	2025-12-10 22:57:10	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): NIS는 그에 대해 많은 것을 파악했다. 내일 말씀드리겠습니다. 번역(en): NIS has figured out a lot about him. I'll tell you tomorrow.	Input (ko): NIS has figured out a lot about him. I'll tell you tomorrow. Translation (en): NIS has figured out a lot about him. I'll tell you tomorrow.	2025-12-10 23:22:31	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	[Redacted ACP]	[Redacted ACP]	2025-12-11 13:00:20	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	[Redacted ACP]	[Redacted ACP]	2025-12-11 13:00:33	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): NIS : 17시까지 질문내용 정리예정 번역(en): NIS: Set up questions by 17:00	Input (ko): NIS: Set up questions by 17:00 Translation (en): NIS: Set up questions by 17:00	2025-12-11 16:58:49	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): NIS: Set up questions by 17:00 번역(ko): NIS: 17:00까지 질문 설정하기	Input (en): NIS: Set up questions by 17:00 Translation (ko): NIS: Set up questions by 17:00	2025-12-11 16:58:50	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	[Redacted ACP/Work Product]	[Redacted ACP/Work Product]	2025-12-11 17:42:02	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	[Redacted ACP]	[Redacted ACP]	2025-12-11 17:42:07	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Update: the suspect does not want to cooperate and denies all. 번역(ko): 업데이트: 용의자는 협조를 원하지 않으며 모두 부인합니다.	Input (en): Update: the suspect does not want to cooperate and denies all. Translation (ko): Update: The suspect does not wish to cooperate and denies everything.	2025-12-13 18:25:46	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	[Redacted ACP/Work Product]	[Redacted ACP/Work Product]	2025-12-13 18:31:26	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): I believe the hacker is using a two-track strategy: denying the charges on document and unofficially cooperating with the recovery. We need to find a way to open an unofficial channel for him. 번역(ko): 해커가 문서상 혐의를 부인하고 비공식적으로 복구에 협조하는 두트랙 전략을 사용하고 있다고 생각합니다. 그를 위해 비공식 채널을 개설할 방법을 찾아야 합니다.	Input (en): I believe the hacker is using a two-track strategy: denying the charges on document and unofficially cooperating with the recovery. We need to find a way to open an unofficial channel for him. Translation (ko): I believe the hacker is using a two-track strategy: denying the charges on record and unofficially cooperating with the recovery. We need to find a way to open an unofficial channel for him.	2025-12-13 18:37:59	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): Ex) " I know you committed the infringement and have evidence of it. And there are other possibilities, so I'd like to discuss them technically." 번역(ko): 전) "저는 당신이 그 침해를 저질렀고 증거가 있다는 것을 알고 있습니다. 그리고 다른 가능성도 있으므로 기술적으로 논의하고 싶습니다."	Input (en): Ex) " I know you committed the infringement and have evidence of it. And there are other possibilities, so I'd like to discuss them technically." Translation (ko): Ex) "I know you committed the infringement and have evidence of it. And there are other possibilities, so I'd like to discuss them technically."	2025-12-13 19:44:32	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	[Redacted ACP/Work Product]	[Redacted ACP/Work Product]	2025-12-13 20:06:45	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	[Redacted ACP]	[Redacted ACP]	2025-12-13 20:57:45	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): EY is the appointment party to hold custody of the devices 번역(ko): EY는 기기의 보관을 담당하는 약속 당사자입니다	Input (en): EY is the appointment party to hold custody of the devices Translation (ko): EY is the party appointed to hold custody of the devices	2025-12-16 19:08:23	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): The recovered device will be transferred to Korea tomorrow. This is because several analyses will be conducted today, potentially leading to additional evidence requests from the suspect. 번역(ko): 회수된 기기는 내일 한국으로 이동될 예정입니다. 오늘 여러 차례 분석이 진행되어 용의자의 추가 증거 요청이 있을 수 있기 때문입니다.	Input (en): The recovered device will be transferred to Korea tomorrow. This is because several analyses will be conducted today, potentially leading to additional evidence requests from the suspect. [SHIN&KIM: not quite sure if this is related to the message from NIS] Translation (ko): The recovered device is scheduled to be transferred to Korea tomorrow. This is because several analyses will be conducted today, which may result in additional evidence requests from the suspect.	2025-12-18 10:29:24	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 지문이 선명하게 찍혀야 합니다. 번역(zh-CN): 指纹要印得清晰。	Input (ko): The fingerprints must be clear. Translation (zh-CN): The fingerprints must be clear.	2025-12-18 22:51:26	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 그의 지문이 연해서 걱정이야. 번역(zh-CN): 他的指纹很软，所以很担心。	Input (ko): I'm worried because his fingerprints are soft. Translation (zh-CN): I'm worried because his fingerprints are soft.	2025-12-18 22:51:53	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 지금 막 그들에게 모든 것들을 전달 하였다. 매우 어려운 시간. 번역(en): Just delivered everything to them. A very difficult time.	Input (ko): I just handed everything over to them. It's a very difficult time. Translation (en): Just delivered everything to them. A very difficult time.	2025-12-18 23:25:04	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 그들은 한국에 가서 한국 경찰을 잘 설득하기로 했다. 번역(en): They decided to go to Korea and persuade the Korean police well.	Input (ko): They decided to go to Korea and persuade the Korean police well. Translation (en): They decided to go to Korea and persuade the Korean police well.	2025-12-18 23:27:02	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(en): They decided to go to Korea and persuade the Korean police well. 번역(ko): 그들은 한국에 가서 한국 경찰을 잘 설득하기로 결정했습니다.	Input (en): They decided to go to Korea and persuade the Korean police well. Translation (ko): They decided to go to Korea and persuade the Korean police well.	2025-12-19 00:29:03	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 그들은 한국에 가서 한국 경찰을 잘 설득하기로 결정했습니다. 번역(en): They decided to go to Korea and persuade the Korean police well.	Input (ko): They decided to go to Korea and persuade the Korean police well. Translation (en): They decided to go to Korea and persuade the Korean police well.	2025-12-19 00:29:04	2026-2572_1_SM-5931N_FullFilesystem_20260414
Naver Papago	Active	Naver Papago	Translation	입력(ko): 그들은 한국에 가서 한국 경찰을 잘 설득하기로 결정했습니다. 번역(zh-CN): 他们决定去韩国好好说服韩国警察。	Input (ko): They decided to go to Korea and persuade the Korean police well. Translation (zh-CN): They decided to go to Korea and persuade the Korean police well.	2025-12-19 00:29:06	2026-2572_1_SM-5931N_FullFilesystem_20260414

Exhibit 39
CPNG-HJC119-0002057
Timeline of Requests and Direction from
the Government Memorandum

MEMORANDUM**Highly Confidential****To: Management****From: Legal****Date: December 19, 2025****Re: Timeline of Requests and Direction from the Government**

Background

From the earliest days of the data incident, Coupang has been approached by numerous governmental agencies requesting cooperation. Among those requesting cooperation is the Korean National Intelligence Service (NIS). Over a period of approximately three weeks, Coupang engaged in frequent, sometimes daily, communications with NIS. The purpose of cooperation was to contact the threat actor (TA), gain knowledge about his motivations and methods, and attempt to recover any information and devices used in the attack.

Applicable Legal Standard

Although styled as a “request,” a National Intelligence Service’s demand for cooperation is not optional as a matter of Korean law. Article 5(1) of the National Intelligence Service Act expressly authorizes the Director of the NIS to request the submission of materials and cooperation from private entities and then provides that the recipient “shall comply unless there is a good reason” to refuse. This statutory “shall comply” language imposes a legal duty, not a discretionary choice, and materially constrains the ability of a recipient to decline cooperation. Article 5(2) further confirms that such requests are part of the NIS’s formal investigative powers, including document access and data submission in connection with investigations. In this statutory context, the NIS’s December 2 communication functioned as a legally binding demand issued pursuant to investigative authority, not a voluntary or optional request, and our compliance was required absent a legally sufficient basis for refusal. Here, no clear bases under Korean law constituting “good reason” to refuse NIS’s request exist. Accordingly, the Company had no choice but to treat the formal “request for cooperation” as a legally binding requirement.

Timeline of Relevant Events**November 30**

Former Coupang CEO Park Dae-jun attended a meeting with Deputy Prime Minister Bar Kyung-hoon and NIS Third Deputy Director Kim Chang-seop. At that meeting, Park informed the government that Coupang had identified the TA.

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December 1

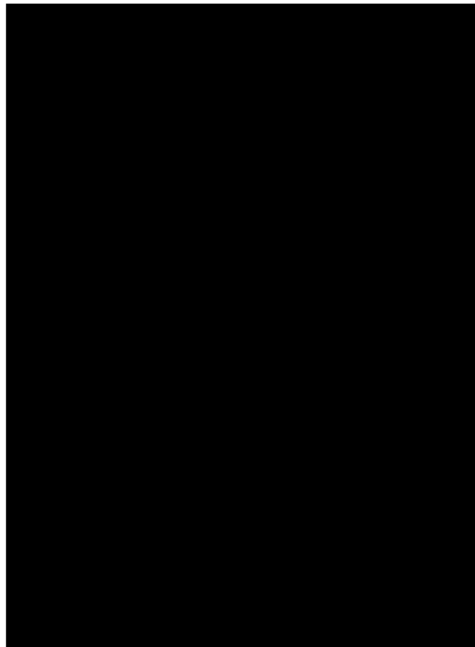
On December 1, around 2:00 p.m., [REDACTED] from the National Intelligence Service (NIS) contacted Coupang. The call was short and [REDACTED] asked Coupang for an in-person meeting in front of the company's building in Seoul.

At around 4:00 p.m., two NIS officers, [REDACTED] Director of the Investigation Bureau (Civil Servant Level 2–3), and [REDACTED] Director of the Investigation Division (Civil Servant Level 4), arrived at Coupang's office, Tower 730. They introduced themselves formally and immediately positioned the situation as a cooperative effort, focusing on recovering a suspect's device located in China.

At around 7:00 p.m., Coupang contacted the National Intelligence Service (NIS) to inquire about the official basis for Coupang's cooperation with the NIS. NIS stated that since this incident directly concerned national security—involving the leakage of personal information of the majority of citizens—NIS needed to handle it, and Coupang had a legal obligation to cooperate. Coupang requested that NIS provide this information in an official document.

December 2

On December 2, around 1:00 p.m., NIS sent the official letter by fax. In the first section, the NIS set out the statutory basis for its authority under Article 4 of the National Intelligence Service Act. In the second section, NIS requests Coupang's cooperation. Notably, NIS cites to Section 5 of the Act, which provides that the party receiving the request "shall comply."



That evening, between 7:00 and 8:00 p.m., Coupang met with NIS. During the meeting, Coupang agreed to cooperate and shared basic information about the suspect. From

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the outset, NIS defined how that cooperation would proceed. NIS required confidentiality for all communications and limited coordination to phone calls and in-person meetings only. NIS explicitly prohibited written records, including text messages and reiterated the need for confidentiality. [REDACTED] head of the investigation department, and [REDACTED] an investigator on loan and formerly a police officer, attended the meeting.

December 5

On December 5, between 2:00 and 4:00 p.m., the parties conducted a technical interview regarding the hacker's attack patterns. During the discussion, participants raised the possibility that the suspect had not actually removed a large volume of personal information from the system.

December 6

On December 6, around 7:00 p.m., the suspect appeared in a WeChat chat room used by Chinese employees and posted a message. Coupang immediately shared this development with NIS. In response, NIS encouraged Coupang's Korean legal team to initiate direct contact with the suspect. While advising Coupang on this outreach, NIS provided specific recommendations on the content and tone of emails to the threat actor, relying on a profile NIS had apparently developed of the suspect. At the same time, NIS encouraged Coupang not to disclose these communications to the police.¹

December 9

On December 9, from 2:00 to 4:00 p.m., the parties conducted additional technical interviews. Two participants identified as doctors from the National Security Technology Research Institute attended. Later that day Coupang reached out to the TA to propose a meeting.

December 10

On the evening of December 10, NIS prompted Coupang to contact the suspect. NIS recommended that Coupang include a deadline to respond in its outreach. NIS once again reminded Coupang not to inform the police of these communications. NIS assured Coupang that disclosure to law enforcement could be evaluated later, depending on how the situation developed. NIS's feedback at this point caused Coupang to suspect that NIS was monitoring the suspect in Shanghai, China, either in person or remotely, or both.

December 11

On December 11 the suspect responded, asking Coupang to contact his lawyer. Around 1:00 p.m., Coupang told the NIS about the response. NIS supplied several follow-up questions for the suspect. At approximately 1:30 p.m., Coupang Korea's legal team spoke with the suspect's lawyer.

¹ As noted above, at all times Coupang understood instructions from Korea's leading intelligence agency as mandatory and believed that failure to follow instructions would be met with severe punishment.

Around 6:00 p.m., Coupang told NIS it would continue communications with the suspect's lawyer through outside counsel, specifying the identity of its law firm. NIS accepted this approach.

December 12

On December 12, around 1:30 p.m., a Coupang executive first met with [REDACTED] from the Presidential Office to discuss appropriate measures to take in response to the data leak. They agreed that it was important for both Coupang and the government to work collaboratively in the interest of information security and national security for the people of Korea. The Coupang executive expressed the company's willingness make its best efforts to assist the government in recovery of the leaked data.

December 13

At around 8:00 p.m., Coupang informed NIS the suspect, through his lawyer, was declining further engagement. However, Coupang was successful in persuading the TA's counsel to review the evidence against his client.

December 14

At around 10:00 a.m., Coupang updated NIS that Coupang's lawyer and the suspect's lawyer were actively communicating in China.

December 15

At approximately 10:00 a.m., Coupang disclosed to NIS a message to the Coupang help email on the night of December 12. At around 5:30 p.m., Coupang sent the original email to NIS in .eml format. NIS analyzed the IP address and determined that it did not match the hacker's known IP.

보낸 사람: [REDACTED]@coupang.com>
 보낸: 월요일, 12월 15, 2025 4:12:12 오후
 받는 사람: [REDACTED]@ncsc.go.kr [REDACTED]@ncsc.go.kr; [REDACTED]@ncsc.go.kr
 <[REDACTED]@ncsc.go.kr>
 제목: Fw: Apologize and update from whistleblower
 귀 기관의 무궁한 영광을 기원합니다.
 첨부와 같이 관련 메일 전달 드립니다.
 장성현 드림.

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At 10:27 pm, a Coupang executive informed [REDACTED] from the Presidential Office that personnel had acquired the suspect's desktop PC and hard drives in Shanghai in coordination with the NIS. They discussed appropriate steps to ensure the devices were returned safely to Korea without any tampering and without interception by Chinese authorities. [REDACTED] from the Presidential Office indicated that he would brief President Lee Jae-myung about acquisition of the devices.

December 16

At 8:41 am, [REDACTED] from the Presidential Office confirmed that he had briefed President Lee Jae-myung about acquisition and recovery of the devices, and he directed the Coupang executive to "follow NIS instructions" to ensure proper retrieval of remaining devices and safe return of all devices to Korea.

At approximately 10:00 a.m., Coupang informed NIS that the TA had turned over his desktop PC and hard drives in Shanghai. That same day at lunchtime, Coupang and the NIS held a meeting. The NIS stated that since Chinese law prohibits foreign intelligence agencies, including the NIS itself, from operating within China, Coupang—not the NIS—must be the entity responsible for retrieving the data. For this reason, the NIS stated that the presence of a Coupang employee in China was essential for the data retrieval. Coupang was concerned about the safety of its employee traveling to China, but recognized that sending a Coupang employee directly to China was unavoidable for the data retrieval. Consequently, Coupang decided to send a Korean employee to China to retrieve the hard drive.

Coupang was concerned that proceeding with the retrieval without prior consultation with the police could become problematic. The NIS stated it would handle persuading other government agencies, including the police. The NIS also advised that, given the high risks involved in the retrieval operation, it would be best not to notify the police until the retrieval was complete to ensure a safe and successful operation.

Throughout the afternoon and evening—at 2:34 p.m., 4:55 p.m., 8:00 p.m., 8:16 p.m., 8:30 p.m., 8:55 p.m., 9:18 p.m., 9:55 p.m., and 10:11 p.m.—Coupang and NIS coordinated to finalize movement and recovery plans in Shanghai.

December 17

On December 17, around 4:00 p.m. local time, after arriving at Shanghai Pudong Airport, a Coupang representative traveled alone by taxi to Hankun Law Firm. Around 5:00 p.m., the suspect handed over the desktop PC, four hard disks and four copies, one graphics card, and affidavits and supporting documents. At approximately 6:00 p.m., Coupang delivered the bag containing the devices to NIS in the lobby of the Hankun Law Firm building. NIS immediately departed for the Korean Embassy in Shanghai.

Notably, at the same time Coupang was undertaking efforts to comply with NIS, the National Assembly held a hearing. For nearly 14 hours the National Assembly wrongly accused Coupang of failing to take the data breach seriously and insulted the company's leadership. Nevertheless, Coupang upheld NIS's requirement not to disclose the ongoing investigation, placing the interests of its customers and the Korean public ahead of politics.

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December 18

At around 8:00 a.m. local time, NIS told Coupang it needed to get the TA's fingerprints on the suspect's declarations to ensure evidentiary credibility, citing concerns about potential allegations of evidence tampering by Korean police. NIS also requested the precise address of the river where the suspect claimed to have discarded his laptop, which Coupang secured and disclosed. NIS instructed Coupang to search for the laptop in the river. Coupang was concerned about attracting attention from Chinese authorities, but it followed NIS instructions and contracted with professional divers to search for the laptop.

Around 1:00 p.m., Coupang informed NIS that the laptop had been recovered. Unlike the hard drives, NIS instructed Coupang not to create a forensic image of the laptop.

Around 4:00 p.m., NIS delivered the TA's original affidavit to Coupang to be fingerprinted by the TA. During this time, two individuals believed to be Chinese public security followed Coupang for a period, but Coupang arrived at Hankun Law Firm with NIS's help.²

Around 7:00 p.m., EY took custody of the suspect's additional affidavit and laptop and recorded fingerprint stamps on all affidavits.

Late that evening, Coupang delivered all materials in its possession to NIS. Coupang understands that NIS transported the materials to the Korean Embassy in Shanghai.

December 19

On December 19, at 5:45 p.m., Coupang departed Shanghai Pudong Airport for Korea. NIS are scheduled to arrive back in South Korea at noon on December 20.

Also during the evening of December 19, a Coupang executive informed [REDACTED] from the Presidential Office that in cooperation with NIS, as instructed, all devices and evidence had been successfully retrieved and delivered to NIS in accordance with strict chain-of-custody requirements specified by NIS. The Presidential Office official responded, "Thank you."

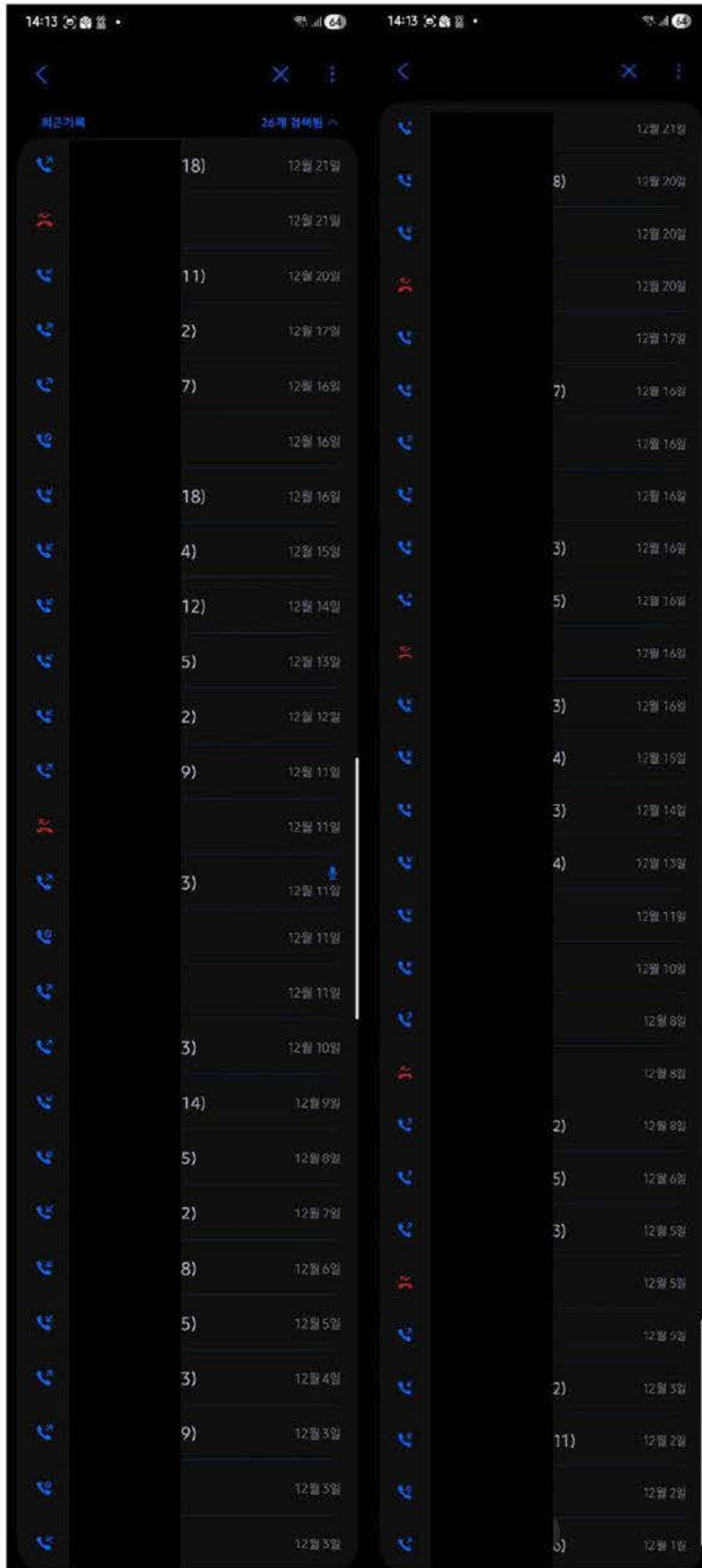
The Coupang executive expressed to the Presidential Office official the need to coordinate a public announcement so that Korean users no longer falsely believed their information was insecure, enabling bad actors to engage in criminal phishing and smishing efforts. The Coupang executive also expressed a desire to resolve the situation cooperatively and minimize any political or diplomatic frictions. The Presidential Office official responded, "I understand. Thank you for your efforts."

² Hankun Law Firm was not aware that NIS was advising Coupang in its efforts to resolve the data breach. Moreover, no China-based Coupang employee was ever informed about any aspect of Coupang's investigation efforts related to the TA other than a preliminary conversation about potentially filing a criminal complaint..

Conclusion

The situation remains active and we believe that there is much more to learn from the TA. Although we remain concerned about intelligence involvement in our fact gathering, it is undeniable that NIS provided critical insights and should be credited with securing information and evidence necessary to assure the Korean people that their data is secure. We hope to be able to provide customer updates and bring in the help and resources of additional agencies as we move forward in our cooperation with NIS. At all times, Coupang has complied with all applicable laws in Korea and China³ to the best of our knowledge.

³ Notably, Coupang has no Chinese customers so Chinese PII was never implicated. Nevertheless, Coupang did not convey any PII either physically or electronically out of China. Instead, Coupang complied with Korean legal authorities to turn over investigative materials per an enforceable order under Korean law.



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Exhibit 40:
February 23, 2026 Deposition of Harold
Rogers before the House Committee on
the Judiciary

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COMMITTEE ON THE JUDICIARY,
U.S. HOUSE OF REPRESENTATIVES,
WASHINGTON, D.C.

DEPOSITION OF: HAROLD ROGERS

Monday, February 23, 2026

Washington, D.C.

The deposition in the above matter was held in room 2237, Rayburn House Office Building,
commencing at 10:01 a.m.

1 Appearances:

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5 For the COMMITTEE ON THE JUDICIARY:

6
7 [REDACTED] DEPUTY DIGITAL DIRECTOR

8 [REDACTED] CHIEF COUNSEL FOR ANTITRUST, COMMERCIAL, AND ADMINISTRATIVE LAW

9 [REDACTED] PRESS ASSISTANT

10 [REDACTED] COUNSEL

11 [REDACTED] STAFF ASSISTANT

12 [REDACTED] MINORITY CHIEF COUNSEL AND SENIOR ADVISOR

13 [REDACTED] MINORITY LEGAL INTERN

14 [REDACTED] MINORITY SENIOR COUNSEL

15 [REDACTED] MINORITY FELLOW

16 [REDACTED] MINORITY CHIEF COUNSEL FOR THE SUBCOMMITTEE ON THE ADMINISTRATIVE

17 STATE, REGULATORY REFORM, AND ANTITRUST

18 [REDACTED] MINORITY OVERSIGHT COUNSEL

19 [REDACTED] MINORITY TECHCONGRESS FELLOW

20 [REDACTED] MINORITY FELLOW

1 For THE WITNESS:

2

3 [REDACTED] ESQ.

4 [REDACTED], ESQ.

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

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10 [REDACTED] COUPANG

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1 [REDACTED] This is a deposition of Mr. Harold Rogers. Chairman Jordan has requested this
2 deposition as part of the committee's oversight of how and to what extent foreign laws, regulations,
3 and judicial orders are being used to discriminate against innovative American-owned companies and
4 infringe on the rights of U.S. citizens.

5 On February 5th, 2026, the House Judiciary Committee issued a subpoena for Mr. Rogers to
6 appear at a deposition today, February 23rd, 2026. I'll mark the February 5th, 2026, subpoena as
7 exhibit 1.

8 [Rogers Majority Exhibit No. 1
9 was marked for identification.]

10 [REDACTED] And, on February 16th, 2026, the committee noticed today's deposition. I will
11 mark the February 16th, 2026, notice as exhibit No. 2.

12 [Rogers Majority Exhibit No. 2
13 was marked for identification.]

14 [REDACTED] All right. I'm going to continue while those are passed out.

15 Would the witness please state your name for the record.

16 The Witness. Yes. Harold Rogers.

17 [REDACTED] Could counsel please state your name for the record?

18 [REDACTED] [REDACTED] Kirkland & Ellis.

19 [REDACTED] [REDACTED] Kirkland & Ellis.

20 [REDACTED] [REDACTED] and I am with Chairman Jordan's staff. I will now have
21 everyone else from the committee who is here at table introduce themselves as well.

22 [REDACTED] [REDACTED] deputy chief counsel with the House Judiciary Committee,
23 Subcommittee on Antitrust.

24 [REDACTED] [REDACTED] Ranking Member Raskin's staff.

25 [REDACTED] [REDACTED] Ranking Member Raskin's staff.

1 [REDACTED] [REDACTED] Ranking Member Raskin's staff.

2 [REDACTED] [REDACTED] executive for Coupang.

3 [REDACTED] [REDACTED] Representative Raskin's staff.

4 [REDACTED] [REDACTED] Representative Raskin's staff.

5 [REDACTED] [REDACTED] Ranking Member Raskin's staff.

6 [REDACTED] [REDACTED] Ranking Member Raskin's staff.

7 [REDACTED] [REDACTED] representing Jordan's staff.

8 [REDACTED] [REDACTED] Chairman Jordan's staff.

9 [REDACTED] [REDACTED] Chairman Jordan's staff.

10 [REDACTED] Could counsel please state your name for the record as well?

11 [REDACTED] [REDACTED] [REDACTED]

12 [REDACTED] [REDACTED] [REDACTED]

13 [REDACTED] I will now repeat the ground rules and guidelines that we will follow during

14 today's deposition. The committee will conduct today's deposition in accordance with the House's
15 regulations on the use of deposition authority.

16 Our questioning will proceed in rounds. The majority will ask questions first for 1 hour, and
17 then the minority will have an opportunity to ask questions for an equal period of time if they
18 choose.

19 There will be two staff counsel per side asking the questions. To the extent Members have
20 questions for the witnesses, they will be propounded during their side's respective round.

21 The clock will stop if witnesses need to confer with counsel, when counsel for the witness is
22 speaking, and when Members are speaking during the opposite side's rounds.

23 We will alternate back and forth until there are no more questions, and the deposition is
24 over.

25 We ordinarily take a short break at the end of each hour, but if you would like to take a break

1 apart from that, please just let us know.

2 As you can see, there's an official court reporter taking down everything we say to make a
3 written record, so we ask that you give verbal responses to all questions.

4 Do you understand?

5 The Witness. Yes.

6 [REDACTED] So the court reporter can take down a clear record, please try and speak clearly
7 so the court reporter can understand and so the people at the end of the table can hear you.

8 It is important that we do not talk over one another or interrupt each other if we can help it,
9 and that goes for everybody present at today's deposition.

10 We want you to answer our questions in a complete and truthful manner. If you do not
11 understand one of our questions or need clarification about what we are seeking, please let us know.

12 If you do not know the answer to a question or do not remember, please tell us what you
13 know and remember. It's okay to tell us if you learned information from someone else. Just
14 indicate how you came to know the information.

15 If there are things you do not know or cannot remember, just say so, and please inform us
16 who, to the best of your knowledge, might be able to provide a more complete answer to the
17 question.

18 By law, you're required to answer questions from Congress truthfully. Do you understand
19 that?

20 The Witness. Yes.

21 [REDACTED] This also applies to questions posed by congressional staff in a deposition. Do
22 you understand this?

23 The Witness. Yes.

24 [REDACTED] Witnesses that knowingly provide false testimony could be subject to criminal
25 prosecution for perjury. This includes, for example, stating that you do not recall or remember

1 something when, in fact, you do.

2 Do you understand that?

3 The Witness. Yes.

4 [REDACTED] Furthermore, you cannot tell half-truths or exclude information necessary to
5 make statements accurate. You are required to provide all information that would make your
6 response truthful. A deliberate failure to disclose information can constitute a false statement.

7 Do you understand that?

8 The Witness. Yes.

9 [REDACTED] Is there any reason you are unable to provide truthful answers to today's
10 questions?

11 The Witness. No.

12 [REDACTED] The Federal Rules of Evidence for Criminal and Civil Procedure are not applicable
13 for today's deposition. Under the House deposition regulations, a witness' attorney may not
14 instruct a witness to refuse to answer a question, except to preserve privilege.

15 The House recognizes these constitutionally based privileges and not necessarily those
16 privileges derived from common law.

17 Finally, I will make note for members and staff here today that the content of what we discuss
18 here today is confidential under House deposition regulations.

19 Under the rules, the chairman and ranking minority member shall consult before any release
20 of testimony transcripts, including portions thereof.

21 This means it is a violation of House and Committee Rules to disclose content of the
22 deposition prior to its official rerelease.

23 For this reason, the marked exhibits that we will use today will remain with the court reporter
24 so that they can go in the official transcript, and any copies of those exhibits will be returned to us
25 when we wrap up.

1 Before we begin the first round of questions, we afford the minority, the witness
2 counsel -- and counsel for the witness, for the witness the opportunity to offer any preliminary
3 remarks.

4 Do you have any preliminary remarks?

5 [REDACTED] I'm sorry?

6 [REDACTED] Any preliminary remarks?

7 [REDACTED] Welcome, gentlemen. Looking forward to this discussion.

8 The Witness. Thank you.

9 [REDACTED] Anything from you, [REDACTED]?

10 All right.

11 [REDACTED] Quickly for the record, the fourth member of Coupang's team has left the
12 room. So now it is only the witness, Mr. Rogers, and the two attorneys with him.

13 [REDACTED] Thank you for taking care of that.

14 The court reporter will now swear in the witness.

15 The Reporter. Please raise your right hand. Do you swear or affirm the testimony you are
16 about to give in this deposition shall be the truth, the whole truth, and nothing but the truth?

17 The Witness. Yes.

18 [REDACTED] The clock now reads 10:08 a.m. We will start the first hour of questioning.

19 EXAMINATION

20 BY [REDACTED]

21 Q Mr. Rogers, you currently serve as the chief administrative officer, or CAO, and general
22 counsel for Coupang, Incorporated. Is that correct?

23 A Yes.

24 Q When were you appointed as CAO and general counsel of Coupang, Incorporated?

25 A So I was appointed as CAO in January of 2020 and then as general counsel in December

1 of 2021.

2 Q Did you serve in any other roles for the organization before becoming its CAO and
3 general counsel?

4 A No.

5 Q What type of business is Coupang, Incorporated?

6 A So Coupang is an e-commerce, logistics, and technology company. We provide a
7 shopping mall for users generally across Asia where we sell into those markets U.S.-manufactured
8 and produced goods as well as others.

9 You can, like, you know, imagine an Amazon-type marketplace where you can buy anything
10 that you're looking for. You can generally order it before midnight. It will arrive the next day
11 before 7 a.m. You can also buy all of your groceries on Coupang.

12 In addition, we have a restaurant-delivery business similar to an Uber Eats or a DoorDash that
13 operates in several markets, and then video streaming. So think of like a Netflix or an
14 Amazon Prime.

15 In addition, we have an e-commerce luxury offering called Farfetch that operates in 190
16 countries around the world.

17 Q Does Coupang, Incorporated, have any other lines of business?

18 A We also do some fintech business along with that.

19 Q Coupang, Incorporated, is incorporated in Delaware. Is that correct?

20 A That's correct.

21 Q Coupang, Incorporated, is listed on the New York Stock Exchange. Is that right?

22 A That's correct.

23 Q Coupang, Incorporated, is headquartered in Seattle, Washington, correct?

24 A Yes.

25 Q Is it fair to say that Coupang, Incorporated, is an American-based company

1 headquartered in the United States?

2 A Yes.

3 Q In addition to your roles with Coupang, Incorporated, you also serve as the interim chief
4 executive officer, or CEO, of Coupang Corp. Is that right?

5 A Yes.

6 Q When were you appointed as interim chief executive officer of Coupang Corp?

7 A So that happened on December 10th of 2025.

8 Q What is the relationship between Coupang, Incorporated, and Coupang Corp?

9 A So Coupang Corp is the fully owned subsidiary and operating entity in Korea, fully
10 owned by Coupang, Inc.

11 Q So it's fair to say that Coupang Corp is a South Korean-based subsidiary of Coupang,
12 Incorporated, which is an American-based company. Is that correct?

13 A Yes.

14 Q How do your roles differ between Coupang, Incorporated and Coupang Corp?

15 A On the Inc side, like I say, general counsel and chief administrative officer, so legal and
16 H.R., compensation, compliance, recruiting, and other roles as well.

17 On the corp side, I'm now in the position of CEO, and so running our operations in Korea.

18 Q Do you serve in any other roles within Coupang, Incorporated or one of its subsidiaries
19 or affiliated organizations?

20 A No. I feel like that's enough.

21 Q If I use the term "Coupang" throughout the course of this deposition, without specifying
22 a particular entity, will you understand that I am referring to the entire corporate family including
23 Coupang, Incorporated, any of its subsidiaries or affiliates, or any of its officers or employees in their
24 capacity as agents of Coupang?

25 A Okay, yeah.

1 Q Is that a "yes"?

2 A Yes. Yes.

3 Q The majority of Coupang sales are conducted in South Korea, correct?

4 A Yes.

5 Q How many employees does Coupang have in South Korea?

6 A So we're the second largest employer in the country, and we have over 90,000
7 employees.

8 Q So Coupang, Incorporated, is the second largest employer in South Korea with over
9 90,000 employees. Is that correct?

10 A Coupang Corp is, but yes.

11 Q Coupang Corp?

12 A Yeah.

13 Q How much capital has Coupang invested in South Korea?

14 A So I don't have the exact number in front of me, but it's somewhere between, I think,
15 \$5- to \$9 billion. Billions of dollars.

16 Q At least \$5 billion?

17 A Yes.

18 Q How many employees does Coupang have in the United States?

19 A We have about a thousand.

20 Q How much capital has Coupang invested in the United States?

21 A I would have to look at that number. I'm not sure, but we've invested heavily building
22 a fulfillment center here and our offices and our employees.

23 Q Coupang exports American goods and products to other countries, correct?

24 A Yes.

25 Q What is the value of the goods and products that Coupang exports annually?

1 A So, in the last year, we sold about \$5.4 billion worth of U.S. goods into Asian markets.

2 Q How many different suppliers does Coupang work with in the United States?

3 A In the U.S. it's thousands. I believe it may be as high as 10,000 suppliers.

4 Q What are some of the primary American-based producers that Coupang partners with?

5 A Oh, gosh, we partner with -- think of an American brand, and we generally partner with
6 it. So McDonald's on the food side. We work -- you know, we're the largest seller of Apple goods
7 into Korea. So we work very closely with Apple, with Google, so large American corporations, and
8 then small enterprises as well.

9 There's a -- one of my favorites is a family cherry orchard in Washington State, where we
10 helped get them up on Coupang and selling their cherries into Korea, and I believe starting to move
11 that into Taiwan as well.

12 Q Mr. Rogers, Coupang is subject to the enforcement practices of regulators and
13 government agencies in South Korea, correct?

14 A Yes.

15 Q What are a few of the primary agencies that regulate Coupang in South Korea?

16 A So there are many. I would say the main one is the KFTC, the Korean Fair
17 Trade Commission. It's a significant regulator. And then the Ministry of Labor is another one, but
18 we also are regulated by tax authority, the customs authority.

19 I'm trying to think of all of the agencies that are currently camped out in our offices in
20 Seoul -- customs, tax, police, the prosecutors, the financial services agency, PIPC, which is the privacy
21 agency, KISA, which is the information security agency, the Ministry of Science and Technology, the
22 Korean Communications Commission.

23 Q When you say "camped out" in your offices in Seoul, what do you mean by that?

24 A So, following our data leak, we received multiple dawn raids from 11 different Korean
25 agencies that opened 40 investigations into Coupang, over 30 of which are unrelated to the data

1 leak.

2 We have 400 Korean investigators in our offices. If you walk into our main office building in
3 Seoul -- which is over, you know, we have over 30 floors -- 1 in 10 people that you run into on our
4 floors is a Korean investigator.

5 We've had over 650 employee interviews, compelled by regulatory investigators, just in the
6 last 90 days, over 4,000 document requests and turning over, you know, hundreds of thousands of
7 pages worth of data.

8 Q You mentioned a raid. Can you describe what that is and what that looks like in
9 practice?

10 A Yeah. So what happens is, an agency will send their enforcement agents. They
11 generally show up unannounced in our lobby in the morning and demand immediate access to our
12 offices.

13 We then have to take them up into our offices. They then roam our halls generally and grab
14 employees to interrogate them, take people's documents, take their computers, their personal
15 devices, and seize them.

16 Put people in conference rooms for hours on end, often until 2, 3, 4 a.m. in the morning,
17 questioning them, generally without allowing us to have counsel present with them.

18 Q Is this something that Coupang allows voluntarily, or is this something that it does based
19 on their regulatory authority?

20 A So it's based on their regulatory authority. Though they often exceed that authority,
21 but still demand our compliance and threaten us with sanctions, turning a civil investigation into a
22 criminal investigation, or opening new multiple investigations if we don't comply with their requests,
23 even those that exceed their regulatory authority.

24 Q When you say "turning a civil investigation into a criminal investigation," what do you
25 mean by that?

1 A So one of the threats that we often get from them are twofold. One is, "If you don't
2 comply with this request, even though it's not regulatorily required, we will charge you and refer you
3 to the police and prosecutors for obstruction of our investigation."

4 Or the other way that they will do it is they will say, "Look, we will take this investigation,
5 which is civil, and on the same facts, we'll refer it to the police and the prosecutors to do compulsory
6 investigations."

7 Most of the corporate law in South Korea -- very different from the U.S. -- has a criminal
8 component to it as well, where they can refer, what we would generally think of issues that are civil
9 or administrative, to criminal authorities.

10 Q And, if I heard you correct, you said 30 of the 40 ongoing investigations are unrelated to
11 the recent data incident. Is that correct?

12 A Yes. I believe it's 33 of the 40 are unrelated, and of the 11 different agencies that are
13 investigating us, I believe nine out of the 11 are unrelated to the data incident.

14 Q Did those investigations begin after the data incident had happened in?

15 A Yes, all of those -- we have other investigations -- all of those that I'm referring to began
16 after the data incident. For instance, the KFTC, following our first National Assembly hearing, the
17 head of the KFTC was berated by the National Assembly members for not opening investigations.
18 Within days, we were raided three times by the KFTC, and they opened three new investigations into
19 the company that were unrelated to the data leak.

20 Q So, just to confirm, the 40 investigations you mentioned each occurred after the data
21 incident had taken place. Is that correct?

22 A Yes.

23 Q Of those, 33 are unrelated to the data incident. Is that right?

24 A Correct.

25 Q Based on your experience, how would you describe the overall regulatory environment

1 in South Korea?

2 A So, you know, I have, in my career as an attorney, I've worked with companies in
3 multiple jurisdictions, throughout Europe and Asia and Latin America. I would say, for an American
4 company, it's the most difficult regulatory environment that I have worked in.

5 There's very active regulatory authorities. Korea has a lengthy history of protectionist
6 regulatory work. A couple examples: Ford used to have operations in Korea. Now, about
7 3 years ago, they pulled out, given regulatory scrutiny that they received that Hyundai did not
8 receive.

9 I believe Korea criteria was sort of the last developed economy to get the -- sell the iPhone in
10 country, and it was held out until Samsung was able to develop with its Galaxy phone and go to
11 market with the Galaxy phone.

12 And I believe it was only 3 months after the launch of the Galaxy phone that the iPhone was
13 finally allowed to be sold in South Korea.

14 I would say that is sort of the general framework in which companies have to operate in
15 Korea.

16 Q So you would describe the regulatory environment for an American-owned company
17 operating in South Korea as hostile?

18 A Yes, I believe that's fair.

19 Q You touched on this briefly in saying that South Korea's one of the more aggressive
20 regulatory environments you operate in, but how does South Korea compare to the regulatory
21 environments in other countries where Coupang operates?

22 A Very different. So one comparison is, you know, we operate in Taiwan as well. In
23 Taiwan, we have very cooperative relationships with the regulators. They, of course, hold us to the
24 line to make sure that we're abiding by the law and investigate as needed, but they also work
25 cooperatively with us.

1 And it's clear that they view their job as making sure that we're following the law but also
2 making sure that there's an environment where businesses can fairly operate.

3 In Korea, it's very different. Our relationship with the regulators are far more antagonistic,
4 and at times I would characterize the relationship as retaliatory.

5 One of the first examples I saw that, when I joined Coupang in 2020 -- where we were still,
6 you know, a very small company compared to other retailers -- we were in negotiations with the
7 largest provider of consumable goods, so razors and deodorant and whatnot, a large Korean
8 conglomerate.

9 They had been selling us their goods at inflated prices above -- so take the example of a razor.
10 If you buy a razor at a grocery store, you know, you could buy it for \$10. At a convenience store, it
11 would cost you \$12.

12 The supplier that's supplying that razor to the grocery store has a different rate for the
13 grocery store versus the convenience store because they know the margins are different.

14 We were being sold razors by them, not at the margin of a grocery store, not even at the
15 margin of a convenience store, but at the actual retail price of a convenience store.

16 So they were selling us those razors, for example, at \$12 -- I'm making up that number -- but
17 \$12. So they knew we were taking a loss on every single one.

18 So we were negotiating with them and had simply asked, "Will you just sell them to us at the
19 rate that you sell to, you know, to a grocery store? We don't want anything preferential, just that
20 normal rate."

21 They refused, and we said, "Look, we can't afford to keep buying if that's the case, or, we're
22 going to stop those orders from you."

23 The very next day after that negotiation, we were raided by the KFTC, and we were charged
24 with bullying this Korean conglomerate, which was 10 times the size of Coupang.

25 That was a multiyear investigation. We ended up being charged, paying a multimillion dollar

1 fine for bullying this much, much larger Korean company.

2 Q In your opinion, did that investigation result directly from the ongoing negotiations and
3 discussions you were having with that third-party?

4 A So I, of course, don't know because I'm not privy to those conversations, but we did
5 think it was worth noting that that the raid happened less than 12 hours after the conclusion of our
6 negotiations with that company.

7 Q And was directly related to the subject matter of those negotiations and discussions?

8 A Correct.

9 Q So is it fair to say that the regulatory enforcement environment in Korea is more difficult
10 for American-owned companies than it is for Korean companies?

11 A I believe that's a fair statement.

12 Q Can you elaborate on that a little bit?

13 A Sure. Let me provide a couple examples. So great companies -- this isn't a
14 commentary on the companies at all, but, for an example, Hyundai, which holds a market share in
15 Korea in the automobile industry of about 90 percent.

16 My understanding is, the KFTC, in the last 5 years, has not levied a single fine against them.

17 You look at Samsung, which I believe has a market share similar, between 60 to 70 percent of
18 consumer electronics in Korea; they have not received a single investigation from the KFTC over the
19 last 5 years that I am aware of.

20 Compare that with Coupang, which is a much smaller company than both of those and has a
21 market share that is much, much smaller than either of those. We have, in the last 5 years, we've
22 been the target of over 30 investigations from the KFTC in that same time period.

23 Q So, just over the last 5 years, there have been 30 different investigations launched into
24 Coupang. Does that include the recent ones?

25 A That includes the recent ones as well, yeah.

1 Q Okay. Helpful to know.

2 Based on your experience, would you characterize South Korea's regulatory approach
3 towards American-owned companies as predictable or unpredictable?

4 A So I'll sort of answer that in two ways. One is, it's predictable in the sense that we can
5 predict that, every month, there will be some new enforcement action or investigations against us,
6 so predictable in that sense.

7 Unpredictable in the sense of, if we read the statutes -- and we have built a, you know, a legal
8 and a compliance department, they're both massive in scale -- in order to make sure we understand
9 all of the laws and regulations in Korea and make sure that we are complying closely with exactly
10 what the law requires, doing all of that, we still will get investigations and charges for activity that,
11 based on the advice we receive from Korean counsel, is not illegal under Korean law, and that we are
12 not violating the laws or regulations.

13 And yet we are still receiving investigations, and many of those investigations result in fines or
14 other findings against us. So, in that sense, we find it to be very unpredictable.

15 It's very difficult for us to understand what are the things that we can do in our operations
16 that will not receive regulatory scrutiny because we'll get memos and advice from multiple Korean
17 law firms.

18 We will follow those closely, and we will still be investigated for those actions and receive
19 regulatory findings and penalties.

20 Q So, based on what you just said, is it fair to say that many of these investigations are
21 built on novel, legal theories or abnormal enforcement practices?

22 A Yes. I think, if you look at Coupang, for example, I think there's a whole set of
23 regulatory enforcement actions that we have gone through where it's the first time that a certain law
24 has been used in that way or anyone has been charged for that kind of behavior.

25 Q Do any examples come to mind?

1 A So, one, we received the largest retail fine ever in the history of Korea about a year and
2 a half ago from the KFTC. The legal theory under that was self-preferencing of our private-label
3 brands.

4 Under the Korean law, in order for that to be illegal, you need to be a market-dominant
5 company. KFTC has officially made a finding that we are not market dominant, and yet they still
6 charged us for self-preferencing.

7 My understanding is we're not only the only company that has been fined for
8 self-preferencing of private label, but we are the only company that has ever even been investigated
9 for that by the KFTC -- that's my understanding -- and received, you know, the largest retail fine in
10 the history of the country.

11 And, you know, every large retailer in Korea has its private label, similar to the U.S., and the
12 largest offline retailer, I believe their private label is, you know, six times the ratio of their sales as
13 our private label is for our company.

14 And yet my understanding, at least publicly, they've never been investigated for it and
15 certainly have never faced a fine.

16 Q So the KFTC issued this fine even after making a finding that Coupang did not have
17 market dominance?

18 A Correct.

19 Q Did Coupang challenge that fine in any way or appeal it?

20 A Yeah. We challenged it both at the KFTC -- KFTC investigations generally end in a
21 commission hearing in front of the Fair Trade Commission there. We challenged it rigorously there,
22 and then we appealed it to the trial court level, the administrative court level, and we're currently
23 challenging it there.

24 But -- sorry -- but, in Korea, the way it's built is, even if you're appealing it, you have to pay
25 the fine first, and so we've already had to make the \$130 million payment to the KFTC during the

1 pendency of the appeal.

2 Q If the KFTC were to lose that appeal, would they have to pay you the money back?

3 A Yes. That's my understanding of what the law requires. But I believe we have to get
4 a final decision at the Supreme Court level before they're required to pay that back.

5 Q Are they required to pay damages or interest of any kind?

6 A I believe there's a statutory interest that's required, but I don't believe there's any
7 damages -- and no fee-shifting.

8 Q Self-preferencing, that's one of the main components of some of the new platform
9 regulatory proposals that have come up in South Korea. Is that correct?

10 A Yes.

11 Q And those proposals have been put forth largely by the KFTC itself. Is that correct?

12 A Yes.

13 Q And they're currently in the process of considering whether to adopt such proposals.
14 Is that correct?

15 A Yes.

16 Q Would those proposals lower the standard necessary to win a self-preferencing case
17 against a company like Coupang?

18 A Yes. My understanding is -- there's various bills that are being considered, but my
19 understanding is that most, if not all of them, would do that. They would both change the
20 definition of what is a market-dominant company.

21 So a company like ours that has a retail market share below 30 percent could be considered a
22 market-dominant company, and it would also make it much easier for them to find self-preferencing
23 problematic, to halt our business completely, engage in what they call a business suspension, and
24 simply shut down the company or shut down certain parts of the company where we're able to
25 compete over Korean companies.

1 So, for instance, our dawn delivery, they could -- it would allow them to just say, "You can no
2 longer deliver any goods from, you know, midnight till 7 a.m.," which is the time period when Korean
3 companies have been unable to compete with us.

4 Q So is it fair to say that the bills would, as you understand them, expand the definition of
5 market dominance?

6 A Yes, that's my understanding.

7 Q And make it easier to go after practices like self-preferencing. Is that correct?

8 A Yes.

9 Q So the bill would directly benefit the KFTC in bringing an enforcement action along the
10 lines they did about a year and a half ago?

11 A Yes. In fact, that's been one of the public statements from the chairman, is that
12 passing these bills are important because it would allow him to do what they already did to Coupang,
13 but do more of it faster.

14 [Discussion off the record.]

15 The Witness. Oh, sorry, the chairman of the KFTC, Chairman Ju.

16 BY [REDACTED]

17 Q Would you describe Korea's regulatory approach as neutral or targeted?

18 A The Korean regulatory approach to Coupang?

19 Q To Coupang, to American companies in general.

20 A Certainly, when we look at it and look at the activities and the kind of fines that we, and
21 other American companies receive, as compared to Korean companies, it certainly appears very
22 targeted to us.

23 Q You've mentioned the KFTC. Are there any regulatory enforcement agencies that are
24 particularly aggressive towards American-owned companies?

25 A Yes. So the KFTC is known to be very aggressive. The labor ministry as well is known

1 to be very aggressive. We were -- I believe, in 2025, we were raided, audited, or inspected by the
2 MOEL, the labor ministry; I believe it was over 400 times in 2025.

3 And so those are -- I think those are the two most aggressive when it comes to U.S.
4 companies.

5 Q Do you believe that American-owned companies face a heightened risk of being
6 investigated or receiving fines and penalties in South Korea?

7 A Yes, I do.

8 Q Do you believe American-owned companies in Korea face a materially higher
9 compliance burden than Korean companies?

10 A Yes, I do.

11 Q How do the KFTC's enforcement practices compare to competition authorities in other
12 countries where Coupang operates?

13 A The difference is night and day. In general, I have never experienced a competition
14 authority that spends as much time as the KFTC does with companies that are not the market leaders
15 or not market-dominant.

16 That certainly doesn't happen in any of our markets in Europe. It's very different than the
17 treatment that we receive in Europe and the type of investigations and penalties that we face in our
18 European markets.

19 It's very different from what we see in both Taiwan and Japan.

20 Q Are the KFTC's enforcement practices the same for Korean companies as they are for
21 American-owned companies?

22 A So I don't believe so, and the example I gave earlier of Hyundai, which has 90 percent of
23 market share in Korea, and hasn't received a -- any sort of penalty or fine from the KFTC, or any sort
24 of monetary fine from the KFTC in the last 5 years.

25 Samsung, which, you know, holds large market shares, similarly has not faced -- I think they

1 haven't even faced any public investigations over the last 5 years.

2 Q So, along those lines, have you seen Korean regulators pursue enforcement actions
3 against American-owned companies for conduct that is common amongst their Korean competitors?

4 A Certainly, for us, when we -- you know, going back to the example of the
5 self-preferencing with our private -- our private-label products, we do that in the same way that
6 every Korean retailer does it as well, and yet we were the only ones to be investigated and fined for
7 that behavior.

8 I imagine if you spoke with Apple and Google, they could give you similar examples where
9 they were investigated and fined for commercial activities that their competitors engage in as well.

10 Q Is there a difference in the frequency of investigations involving American-owned
11 companies as compared to Korean companies?

12 A Sorry, what?

13 Q Is there a difference in the frequency of investigations involving American-owned
14 companies as compared to Korean companies?

15 A Certainly that has been our experience, that there is a difference. Like I said, we've
16 had over 30 KFTC investigations over the last 5 years, where larger companies have had far fewer.

17 I haven't looked at the comparisons in the labor of ministry, but I would be surprised if any
18 Korean company got anywhere close to getting over 400 raids or audits or inspections in a single
19 year. That would shock me if there was anyone who was even above a hundred.

20 Q Along the same lines, is there a difference in the size of fines or scope of remedies in
21 these cases brought against American-owned companies versus Korean companies?

22 A Again, yes, in our experience. For instance, in the self-preferencing case, our fine was
23 over a hundred million dollars. There was a Korean company that had a preferencing issue, not
24 with private label, so not directly applicable, and received a -- a company comparable size to us, a
25 Korean company -- and received a fine that was a couple million dollars.

1 Q You touched on this a bit earlier, but there are numerous investigative tools that
2 regulators use in South Korea. I want to walk through just a couple of them. Do they conduct
3 raids?

4 A Yes.

5 Q How often has Coupang experienced these raids, either for a specific agency or across
6 various agencies?

7 A Yeah. So, in 2025, we received, I believe, a total of over 500 raids, audits, or
8 inspections. The majority of those were from the labor ministry.

9 Just following the, you know, the data incident, we received, as I said, you know, 40 different
10 investigations in the span of just a couple weeks.

11 Q As part of these raids, they conduct onsite inspections. Is that correct?

12 A That's correct. So they come to our offices, and we need to give them conference
13 rooms for them to set up. And they stay for weeks, sometimes months. We've had a couple
14 regulators that have been in our offices every single day, sometimes 7 days a week, since the end of
15 November, and are still there.

16 They generally stay from the morning until often 8 or 9 o'clock at night, and if they're
17 interviewing employees, it can be 2, 3, 4 a.m. in the morning that they're in our offices and our staff
18 are there supporting them.

19 Like I said, you know, they'll seize documents and devices. They'll put our employees into
20 conference rooms without counsel. We'll -- you know, I've had the experience of standing outside
21 and hearing them screaming and yelling at our employees for hours.

22 Recently I had one of my veteran attorneys -- she's a Korean attorney, she's worked for
23 various Korean companies for 20 years -- and she called me up crying because one of the regulators
24 had held her in a conference room until, I think it was almost 5 a.m., and it was treatment that, in her
25 20 years of being a practicing attorney in Korea, she had never seen. She had never been treated

1 that way.

2 She told me that they were not just yelling and screaming at her but were berating her,
3 insulting her, and like I said, she called me in tears. It was behavior that she had never experienced
4 in her entire career.

5 Q Have employees of Coupang requested counsel and then been denied that by
6 investigators?

7 A Yes, numerous times. That's a normal practice. We always request to have counsel
8 there, and we are generally refused.

9 Q How long do interviews with employees last? What's the range, from the low end to
10 the high end?

11 A So, on the low end, an interview can be a couple hours. On the far end of the range,
12 you know, it will be 13, 14, 15 hours long without -- you know, breaks to use the bathroom, but
13 without stopping. That's in one sitting.

14 And there will be multiple-day interviews where they'll bring the employees back, you know,
15 day after day after day for full-day interviews.

16 Q And, as you just said, you would describe these interviews, at least from time to time, as
17 aggressive or antagonistic?

18 A Yes, very. Certainly coming from a U.S. legal perspective, it's regulatory behavior that I
19 have never seen and, as a U.S. attorney, has been quite shocking to me personally.

20 Q You mentioned sometimes insults are even thrown throughout the course of these
21 discussions. Do you have any examples of that that come to mind?

22 A It's a fairly regular practice for an employee to be called in, and if they don't know the
23 answer to a question, because it's not part of their job or they just don't know the answer, and they
24 say, "I don't know" -- so I'll use a specific example.

25 We had an employee who worked in our -- in retail and was pulled into an interview. This

1 would've been probably a month and a half ago. And they were asking him a number of questions
2 that had nothing to do with his job, and so he didn't have the answer. And so we told them, "I don't
3 know."

4 And, when he told them "I don't know," they would yell back at him, are you stupid? Are
5 you lying to me? Do you think I'm stupid? I know you know the answer to this.

6 I don't. This isn't part of my job.

7 Are you just a puppet? Have you been told to lie to me? Why are you lying?

8 In that aggressive and, at least in his telling, that aggressive line of insults wasn't just one or
9 two, but it was badgering that lasted several hours of them. Every time he would say "I don't
10 know," it was a litany of, you know, what are you, stupid? Do you even really work here? What's
11 wrong with you? Did you even graduate from college? Those sorts of statements.

12 Q And they engage in large-scale document and communication seizures when they
13 conduct these raids. Is that correct?

14 A That's correct.

15 Q Do these documents and communications sometimes involve confidential information
16 or business secrets?

17 A Yes. So the regulators will often go in and not recognize attorney/client privilege.
18 They'll often target our attorneys and take their devices and documents first. And, you know, we'll
19 make arguments about privilege. Those are generally not respected. On occasion, they are.

20 Similarly, with confidential documents, trade secret, we'll often be forced to turn those over.
21 And there have been occasions where that information -- where we have intel that that information
22 has been leaked from the -- has gotten somehow from the regulator to competitors, -- Korean
23 competitors in the market.

24 Q Can you elaborate on that?

25 A I don't have any -- those are anecdotal that we hear from people out in the market,

1 from attorneys that may be working for some of our competitors and will come back and tell us that
2 information that we have provided to a regulator, they've seen them at our, you know, at our
3 competitors' operations.

4 So obviously they're careful in sharing that with me. So that's purely anecdotal.

5 Q But it is your experience that information that was only held by Coupang, and then
6 obtained by South Korean regulators, has been shared and/or leaked to third parties and Korean
7 competitors?

8 A Yes.

9 Q From your experience, has there been an increase in the number or intensity of
10 investigations over the past couple of years?

11 A Yeah. I was looking at this the other day, and when I said, you know, over 30
12 investigations in the KFTC as an example. I think in 2020, it was one, and then, the next year, we
13 had six. And, the next year after that, it was nine, and then it was, you know, over ten and -- but
14 basically that trend of -- I may not have got those numbers exactly right -- but that trend of over the
15 last several years, seen a real acceleration in the KFTC and the labor ministry, and then more interest
16 from other agencies.

17 So, for instance, the KCC, the Korean Communication Commission, which has generally not
18 done anything to regulate us, about 2 years ago, they started raiding us for the first time. So that
19 picked up.

20 An increase in tax investigations and audits, an increase in customs investigations, we've seen
21 the frequency of all of those increase over the last couple years.

22 Q Has the last year been a high point in the frequency or intensity of investigations?

23 A Yes. You know, we've generally seen the numbers climb, and 2025 was the highest
24 number yet.

25 Q Is it common for political leaders and policymakers in South Korea to publicly call for

1 penalties against specific companies during ongoing investigations?

2 A I wouldn't -- my understanding is that is not common, but it has happened to us.

3 Q From your perspective, are there cases in which regulatory enforcement in South Korea
4 is more focused on protecting Korean competitors than punishing illegal conduct?

5 A From my perspective, that appears to happen -- that appears to be a market practice.
6 I gave the example of the iPhone, which was held out of the country. I have an anecdote from the
7 former head -- country head of Ford, who Ford had their entire fleet grounded for, I think, almost a
8 year because of a small, regulatory violation.

9 Often, if you want to get the newest Honda model of a car, it won't come into the country
10 until Hyundai has launched their competitor version of that.

11 So it's -- in Korea, you can't use Google Maps. You have to use the Korean competitors
12 because the government won't provide Google with the maps data to be able to use them.

13 So those are sort of the general practices that we see operating in Korea.

14 Q So you would say there are not just cases but it is a general norm that enforcement
15 practices are more focused on protecting Korean companies than punishing illegal conduct?

16 A That has been my experience.

17 Q Mr. Rogers, which South Korean ministries and agencies have regulatory authority over
18 digital, commerce, and online platforms specifically?

19 A So my understanding is that KFTC is the main regulator in that space.

20 Q How often do agencies coordinate with one another when investigating companies?

21 A I'm not sure. I know coordination occurs, but I don't think I have a good sense of the
22 frequency of that coordination.

23 Q Is it typical for multiple agencies to assert jurisdiction over the same conduct in
24 South Korea?

25 A I don't know if that's common. That certainly happens with us where there will be one

1 commercial practice that we're engaged in, and one regulator will raid us and begin investigating on
2 it.

3 That will become public, and then one or two other regulators will then come and start
4 investigating us for the same behavior.

5 Q Does South Korea assign a single agency to lead major investigations, or do companies
6 often have to respond to several different regulators and agencies at the same time?

7 A So I haven't had the experience where they assign one to take the lead. It's generally
8 we have to engage with all of them independently. Sometimes they put together a
9 task force -- task forces, and that may be different where you can then deal with the task force.

10 But, in our experience, we'll be working with multiple regulators. We have to do it
11 independently. They're not sharing information. We have to do multiple productions of the same
12 data to each one. We have to provide our employees for investigation interviews, you know,
13 repeatedly to each of the authorities instead of being able to do it just once.

14 And so we do find that to be, you know, burdensome for our staff and for our employees.

15 Q So would you describe the responses to these various investigations sometimes as
16 duplicative?

17 A Certainly. For us, we have -- currently, as I sit here, we have multiple agency
18 investigations that are entirely or at least partially duplicative.

19 Q Does that increase the compliance costs for Coupang?

20 A Of course. It sometime -- you know, depending on the number of agencies, it can
21 triple or quadruple the cost for that sort of, you know, agency response, because we're responding to
22 so many more.

23 And, not just the cost in that sense, but also the cost in the disruption to the business of
24 pulling these employees out from their day jobs because they need to, you know, go through their
25 documents and help us collate, you know, gather all the documents that are needed, or prepare for

1 and then sit for multiple interviews instead of being able to, you know, work on running the business.

2 Q Does this increase in compliance costs, or divergence of employee time and focus, limit
3 the ability of Coupang to invest in innovative new products and services or lower costs for
4 consumers?

5 A Yes, definitely. We have had multiple areas over the last 18 months, just as an
6 example, of areas where we have begun exploring, investing in Korea, in additional offerings or
7 services, things that we think would be very innovative for the market, incredibly consumer friendly,
8 that would bring more business to small businesses, and we have had to decide not to do that
9 because the regulatory costs of trying to do that and the scrutiny that we're under, knowing that
10 anything that we -- any new business that we launch, any innovation that we try, is going to get
11 extensive regulatory scrutiny from multiple regulators.

12 Q Does that affect the American producers and manufacturers that Coupang works with to
13 sell their products in South Korea?

14 A Certainly. It has a depressive effect on, you know, everyone who is selling through
15 Coupang and so, of course, has a direct impact on American sellers and American manufacturers.

16 Q In your experience, are companies given clear notice of the legal theories that an
17 investigation is based on while it is occurring?

18 A So my experience is that the -- what I would call the normal practice is to provide that
19 information, but our experience has been very different. So, in the example of the KFTC
20 investigation into our private-label products, it was years of on-site investigation from them on that
21 topic before we knew what legal theory they were actually pursuing.

22 I would have multiple meetings with our law firm that was the lead on that and engaging daily
23 with the KFTC, and ask them, "Okay, explain to me what the legal theory is; like, what are we doing
24 wrong?"

25 And, for a good 18 months, they couldn't tell me what behavior we were doing wrong.

1 Because one of the questions, as the general counsel, that I wanted answered was, "Okay, if this
2 behavior is problematic, or if they're going to find it to be problematic and fine us for it, then I'd like
3 to stop the practice now, right, so that we're not incurring additional fines -- or at least explore
4 stopping that practice now."

5 And so I would ask counsel, "What is that practice that is problematic, so we can explore
6 whether we should stop that now, to limit the kind of fines we might receive," and counsel was
7 unable to tell me what the behavior was that was problematic and that we needed to stop engaging
8 in, because they couldn't get a clear answer from the KFTC as to what that behavior was, and how it
9 violated the law, and what it was that we needed to stop doing.

10 Q In general, are companies provided with a meaningful opportunity to respond and
11 provide relevant context before regulators make public allegations or accusations?

12 A Certainly, in our experience, we're often not given that opportunity. In fact, in recent
13 months and over the last year or two, we'll get the head of a regulator make a public announcement,
14 about illegal activity that we are allegedly engaged in, before we've heard anything from the
15 regulator on that behavior, where we haven't received a single request or had a single meeting with
16 the regulator on that kind of activity, and yet we'll see an interview from the head of the regulatory
17 authority, proclaiming to the country that this certain behavior that we are engaged in is, you know,
18 clearly illegal and problematic and that they will eradicate that behavior. And that will be the first
19 time that we've heard ever that.

20 It's not uncommon in my -- you know, in the press briefings that I get from my team for them
21 to, you know, say, "Look, this regulator has just said this. We need to start looking at this behavior.
22 We haven't heard anything from the regulator on this, but the head of the regulatory authority has
23 just made this public statement this morning. So we'll start looking into this to see what's going
24 on."

25 Q Have there been situations in which these public statements or allegations have

1 included, or been based on, false or incorrect information?

2 A Yes. That's happened numerous times. I don't have my -- I have a list that my team
3 puts together for me that helps me, you know, track all of the regulatory action, and there's a
4 number of them where they begin an investigation, make a public statement of what we're doing,
5 and it's something we've never engaged in, a behavior we just don't do. It makes no sense for us to
6 have done it.

7 I don't have the specific ones in front of me, but there's a whole set of them.

8 Q Have there been situations in which these public statements or allegations were made
9 by entities that you know had the correct information?

10 A Yes. There are groups that will -- you know, that will make public allegations after we
11 have already provided them with the information and the documentation, showing them that what
12 they're alleging is not correct.

13 And so, in my view, they know for a certainty that they're not engaged in that and yet --

14 [REDACTED] Can we pause for a second?

15 [REDACTED] Excuse me. Who are you here with?

16 Voice. I'm here at the RSC meeting.

17 [REDACTED] No, it's not here.

18 Voice. It's not here?

19 [REDACTED] No.

20 Voice. No? Do you know what room it is?

21 [REDACTED] I do not.

22 [REDACTED] No. Sorry.

23 Voice. Well, sorry for interrupting.

24 [REDACTED] No, no, you're good.

25 [REDACTED] Sorry about that. Do you need to reask the question?

1 You can pick up wherever. That's fine.

2 The Witness. So I think we were talking about groups where we've provided them the
3 information and the factual detail and documentation, and they'll still make public allegations based
4 on activities that I believe they know we are not engaging in.

5 [Discussion off the record.]

6 The Witness. So one example of this is where, following the data leak, the NIS, the Korean
7 security service, reached out to us and asked for our cooperation in reaching out to the perpetrator
8 of the data leak, who was a former employee of Coupang who had been working in Korea, but
9 Chinese national living in China, and asked for our cooperation, and then demanded it under
10 statutory authority.

11 We then cooperated with the NIS, under their direction, and successfully retrieved the
12 devices and obtained a sworn confession from the person, all at the same time that publicly
13 government officials, including from the President's office, who was involved in this NIS operation
14 and being briefed and directing us as well, were publicly stating that we were not cooperating with
15 Korean authorities, that we were not taking this seriously, that we were not being helpful at the
16 same exact time that we were confidentially working with the NIS to retrieve all of these devices and
17 information at the direction of the Korean Government, both the NIS and the Presidential office.

18 And, in addition, when I testified to that joint operation in front of the National Assembly, the
19 head of the NIS denied that there was any such cooperation, and the National Assembly -- the
20 committee of the National Assembly then referred me for perjury charges for which I'm currently
21 under police investigation for.

22 BY [REDACTED]:

23 Q Do these public statements and allegations typically limit themselves to factual
24 assertions as to what they've discovered so far and careful language around alleged wrongdoing, or
25 do they sometimes make statements that include conclusions as to the wrongdoing?

1 A The latter. In the example of the data incident, just days after it, the President of the
2 country came forward and prejudged before the facts were known, stating that this was the worst
3 data leak in the history of the country and that Coupang needed to be punished to such an extent
4 that it worried it would be put out of business.

5 The Prime Minister of the country, seen as sort of the number two political leader in the
6 country, came out before the facts were known and said that we had grossly violated Korean law and
7 that we should be treated like the Mafia and eradicated in a similar way that Korea has, you know,
8 worked to eradicate the Mafia.

1 [11:02 a.m.]

2 BY [REDACTED]:

3 Q Have you observed Korean regulators releasing selective information to the media
4 during ongoing investigations?

5 A Yes, we see that commonly, where, like, they will hold back information that they have
6 that is beneficial to Coupang and release only information that casts Coupang in the worst possible
7 light.

8 Q What effect do those public communications have on a company's reputation and
9 customer relationships?

10 A So, as you can imagine, it strains those -- that customer trust.

11 Our customer trust is the most important thing to us, and really building a great customer
12 experience. We'll often say that it takes you 5 years to build trust with a customer and one bad
13 experience to destroy that 5 years of work.

14 In this case, for instance, we had government officials making statements that financial data
15 had been leaked, or it couldn't be ruled out, and telling them that they needed to cancel their
16 payment information and their credit card information, even though, at the same time, they
17 knew -- because we had provided them all of the forensic evidence and analysis -- that no financial
18 data had been leaked, that, in fact, the threat actor was in a -- the system that he accessed without
19 authorization didn't have any financial data in it; he could not have leaked that data.

20 They knew that. We had shown that to them. We had provided the analysis from
21 Mandiant and Palo Alto Networks to, you know, global, well-respected, independent investigative,
22 you know, organizations that we had retained. Still knowing that, they went out publicly and
23 created what I would call, you know, mass panic. And we saw millions of people, millions of our
24 customers, canceling credit card and other information based on statements that they were hearing
25 in the media that all of that information was at risk.

1 In fact, just a couple weeks ago, one of our employees was in a taxi in Seoul, and the taxi
2 driver, you know, found out that he was a Coupang employee and said, "Ah," you know, "I can't
3 believe that you guys leaked all of my financial data." You know, "That's so important to me."
4 And that was after it was well-established, well-established, that there was no financial data leak, but
5 the misinformation had been spread and, you know, had an impact on our customers.

6 Q Have you seen -- based on your observations, have Korean regulators engaged in similar
7 public messaging for Korean companies?

8 A In my limited experience, I haven't seen that.

9 In -- if you look at -- there's some, you know, some examples of, just last year, the same year
10 as our data leak, of Korean companies having large leaks with information far more sensitive than our
11 information, and the regulatory and government statements and responses there were very
12 measured and, you know, professional in the way that they discuss those. What I saw with ours
13 and the statements that came out of that were completely different.

14 SKT, the -- I believe the largest telecom company in Korea, had a data leak with over
15 20 million customer accounts, including financially sensitive data and data that would allow people to
16 clone their phones and, you know, steal money from them. No statements of giving them a penalty
17 that makes them think that they're going to go out of business or treating them like the mafia.

18 Olipay had a data leak, I think either the month -- I think maybe 1 month before ours, where
19 \$6 million was stolen from their customers through a data leak. No outcry from the government,
20 no negative statements.

21 Kakao, a Korean company, transferred over 40 million customer accounts with sensitive data,
22 including, I believe, government registration numbers, to China, and no outcry from the government,
23 and they received a small fine.

24 [REDACTED] We're about at an hour.

25 [REDACTED] Okay.

1 [REDACTED] So we'll switch now?

2 [REDACTED] Go off the record.

3 [Recess.]

4 [REDACTED] So we're going to go back on the record. And do I need to announce the
5 time?

6 [REDACTED] 11:25.

7 [REDACTED] It's 11:25. There we go. Thank you, sir.

8 And so I just wanted to say we plan on continuing on -- first of all, greetings.

9 The Witness. Thank you.

10 [REDACTED] We plan on continuing with the convention of referring to Coupang generally
11 rather than distinguishing out Coupang, Inc. and Corp. --

12 The Witness. Okay.

13 [REDACTED] -- as a general proposition.

14 Great. Thank you.

15 EXAMINATION

16 BY [REDACTED]

17 Q We'll start with some biographical questions before we get into other topics.

18 Could you please tell us where you went to school?

19 A So I did my undergraduate work at Brigham Young University in Utah, and then I went to
20 law school at Harvard.

21 Q Got it. And what did you do before joining Coupang?

22 A So, after law school, I clerked for Judge Griffith on the D.C. Circuit. And then I worked
23 at Sidley here in D.C. doing litigation. I was a partner at the firm. And then went from there, in
24 2016, to Millicom, a global telecom company, and was there for about 3-1/2 years. And then from
25 there, joined Coupang.

1 Q Got it. And so what year did you join Coupang?

2 A So January of 2020.

3 Q And what was your title when you joined?

4 A Chief administrative officer.

5 Q Got it. Could you tell us a little bit about your responsibilities as chief administrative
6 officer?

7 A Yes. So it covers human resources, including recruiting and compensation. It also
8 includes physical security, information security, press relations, policy work. I believe that's it.

9 Q Got it.

10 And when did you become general counsel?

11 A So that happened in December of 2021.

12 Q Could you tell us about whatever added responsibilities that included as well?

13 A Yeah. So then that added in all of the legal and the -- I was going to say compliance
14 work, but actually I had compliance before I became general counsel, so that was another part of
15 chief administrative officer. And then with general counsel, it included all of the legal
16 responsibilities.

17 Q And you became the CEO of Coupang Corp., the Korean subsidiary, in December. Is
18 that right?

19 A Yes. The interim -- yeah. The interim CEO.

20 Q Interim?

21 A Yeah.

22 Q Okay. And could you tell us some about your responsibilities as interim CEO of the
23 subsidiary?

24 A Yeah. So, generally, it would be -- it is the traditional CEO role of running the
25 company. In reality, given the data incident and the response from the government, most of my

1 time has been in the crisis response and crisis management, so I haven't had the time to focus as
2 much on the actual business as I would like to.

3 Q And could you tell us about the circumstances under which you were appointed or the
4 mechanism by which you were appointed the CEO of the subsidiary?

5 A Yeah.

6 So the data incident occurred mid- to end of November. Our CEO of Coupang Corp. at the
7 time was responding to that. Under political pressure, he was forced to resign from the company.
8 And we took the decision that, given the crisis and the response that was required, that I would step
9 in on an interim basis, working through the crisis issues.

10 Q Got it. And you were appointed by whom?

11 A So I was appointed by -- I think, legally, technically, it's by the board of Coupang Corp.
12 that makes that appointment. But it was a decision that was made by the leadership of Coupang,
13 Inc.

14 Q Got it. So the leadership in the United States made the ultimate decision to make you
15 the CEO -- the interim CEO of the subsidiary, right?

16 A Yes.

17 Q Got it. And would that be the board of directors for Coupang, Inc.?

18 A So, at that time, it wasn't the board of directors. We informed them after the decision
19 had been made. But it was our senior leadership -- the CEO, CFO, and myself.

20 Q Got it. So the CEO of Coupang, Inc.

21 A Yes.

22 Q Which is?

23 A Which is Bom Kim.

24 Q Got it.

25 Where are you based these days?

1 A So now I'm based in Seoul.

2 Q Have you always been based in Seoul?

3 A So, yes, though I've gone back and forth between Seoul and Seattle.

4 Q Got it. How often did you go to Korea before taking on this new responsibility?

5 A So I was in Korea pretty regularly given the fact that it was our largest -- that it is our
6 largest market.

7 Q Got it. And prior to working for Coupang, did you have much experience working in
8 Korea or East Asia generally?

9 A So I had some experience working in East Asia, but I didn't have any experience with
10 Korea prior to taking the job. So I had done work in mainland China and in Hong Kong and have had
11 some cases involving Japan.

12 Q Got it. Was this when you were practicing as an attorney, or was this at the other firm
13 you worked for?

14 A So that was when I was practicing at Sidley.

15 Q Okay.

16 A My Millicom operations were mainly in Africa and Latin America.

17 Q Got it.

18 And in this role that you have, how frequently do you interact with Korea's political
19 leadership?

20 A In the interim role?

21 Q Uh-huh. Yes.

22 A So, given what's going on, fairly frequently. I mean, I've been called into two different
23 sessions of the National Assembly over 3 days; I've been in two police interrogations; and then
24 engaging with regulatory authorities who are, you know, conducting investigations.

25 Q Got it. And do you ever engage with the President of Korea or the Prime Minister?

1 A I don't, no.

2 Q Got it.

3 And what is the purpose, generally, of these conversations that you have had with Korean
4 elected officials?

5 A So, for the National Assembly hearings, I was compelled to appear before them
6 ostensibly to talk about the data incident, but I was questioned along the whole line of aspects of the
7 business and allegations that they were making against the company.

8 Q And you also said that you interact with the regulators yourself sometimes?

9 A Yeah. At times, we'll have meetings where -- just discussing the investigations and,
10 you know, the subject and conduct of those investigations.

11 Q Do you personally meet with the leadership of those regulatory bodies?

12 A Generally I don't.

13 Q Okay.

14 A Yeah. Generally that's done by the -- I guess mainly by our outside counsel at this
15 point.

16 Q Got it.

17 [REDACTED] I'll turn it to you.

18 [REDACTED] Okay. Great.

19 BY [REDACTED]

20 Q So thank you for that. I'd like to have you help us better understand Coupang's
21 business, if you don't mind.

22 A Yeah.

23 Q Remind me when it was founded.

24 A So it was founded in 2010.

25 Q Okay. Thank you. By whom?

1 A By Bom.

2 Q Okay. That's Mr. --

3 A Bom Kim.

4 Q -- Kim?

5 A Yeah.

6 Q Okay. And where is Mr. Kim now? Is he still with the company?

7 A He is. He's still the CEO and the chair of the board.

8 Q Okay.

9 And how would you describe Coupang's business generally?

10 A So generally I would describe it as an e-commerce, logistics, and technology company
11 because -- we're often compared to Amazon. You can go onto Coupang on our app and order, you
12 know, anything that you want and have it delivered to you by the next day or within a couple hours.

13 One of the biggest differences between us and Amazon is, we built our logistics all the way
14 out to the last mile. So we have a large logistics workforce, and that's a big part of what we do, so
15 we're -- enable the quick delivery to our customers.

16 And, on the technology side, we -- I think we're, you know -- in Asia, I think we're one of the
17 leading patent companies that are awarded patents, as we innovate and build AI-enabled technology
18 to get our items to where they need to be. You know, with tens of millions of customers, you can
19 order before midnight and it's delivered before 7:00 a.m., and, knowing human psychology, that
20 means that the vast majority of those orders come in after 11:30 at night. And so we have to be
21 able to, you know, take all those orders that are coming in at that last minute and get them to our
22 customers, you know, before 7:00 a.m. in the morning. And so that requires a lot of AI and forward
23 deployment and, you know, technology and innovation to enable that to occur.

24 And then we have the other businesses, with the restaurant delivery, like an Uber Eats --

25 Q Right --

1 A -- our Coupang Eats, and then the OTT, the video streaming.

2 One of the things that we do there that I like the most is bringing in live sports. So, about a
3 year and a half ago, we brought the Dodgers and the Padres in to play a two-game series, the Seoul
4 Series, to open the Major League Baseball regular season. First time that ever happened in Korea.

5 And so those are, you know, some exciting things that we can provide for our customers --

6 Q Yep.

7 A -- and, you know, giving them the experience of MLB, which they'd never had before.

8 Q Right.

9 So you've mentioned a couple times that you're often referred to as sort of the -- in
10 comparison to Amazon. In fact, it's common that it's referred to as "the Amazon of Korea"?

11 A Yeah, that's how -- that's how Koreans have generally referred to us.

12 Q "The Amazon of Korea"?

13 A Yeah.

14 Q Okay, great. Thanks.

15 And who owns the company?

16 A So we're publicly traded --

17 Q Okay.

18 A -- on the New York Stock Exchange.

19 Q Okay. And tell us about the corporate governance structure.

20 A So we have a board of directors that sits above the company and that we, you know,
21 report to. And then we have the CEO and the CFO and myself are the three named executive
22 officers --

23 Q Okay.

24 A -- and that appear in the regulatory filings.

25 And then Inc. has, you know, all of the different functions for -- for me, you know, the

1 important bits. It has the governance, the compliance, the legal, and then the HR and those things
2 that sit at the Inc. level that I'm responsible for.

3 Q Right. Where is it incorporated?

4 A So it's incorporated in Delaware.

5 Q Okay. And where is Coupang, Inc.'s headquarters?

6 A In Seattle.

7 Q Okay. And how long has it been there?

8 A In Seattle?

9 Q Yes, sir.

10 A Oh, I'd have to look. I think we opened our Seattle office -- I want to say it was 2015,
11 but it may have been more like 2018. I'm not sure.

12 Q Okay. Okay. But you're not sure; could be later.

13 A It could be.

14 Q Okay. Where was it previously?

15 A Where was --

16 Q Coupang's headquarters previously.

17 A The headquarters?

18 Q Because it was founded in 2010, and you think that it -- it's -- you opened your --

19 A So, in our SEC filings -- this isn't the headquarters, but in our SEC filings, the principal
20 place of business was listed as Seoul. That's the requirement in the SEC filings.

21 I'm not sure where -- I would need to go back to our records to see where our statutory
22 headquarters have been over time.

23 Q Okay. So -- so you don't know -- so Coupang's headquarters is where? Right? I just
24 need to get this straight. Coupang's --

25 A Yeah. Seattle.

1 Q -- headquarters is right now in Seattle.

2 A That's right.

3 Q And you thought you opened it 2015?

4 A I believe our first Seattle office --

5 Q Or 2018?

6 A -- yeah, it was somewhere between 2015 and 2018 when the office was opened.

7 Q Right. And, prior to that, where was it?

8 A So, prior to that, we had offices in --

9 Q The headquarters, sir.

10 A Oh, the head- --

11 [REDACTED] We'll track that down for you.

12 The Witness. Yeah. When I opened -- when we opened the Seattle office, I'm not sure
13 that was the headquarters. I would need to go back and look at our statutory filings. I'm not sure.

14 BY [REDACTED]

15 Q Okay. Because I just -- it's -- I just wanted to know where it was when it was founded
16 in 2010.

17 A Okay.

18 Q And then it sounds like it was, you know, relocated. Because it opened in 2015, '18 --

19 A Yeah, somewhere along those lines.

20 Q Okay. And so was the headquarters ever in Korea?

21 A So I'd need to look at the statutory filings. Certainly Seoul is viewed as -- has been
22 viewed as the principal place of business, and our senior leadership at times has been located in
23 Seoul.

24 Q Okay.

25 What percentage of Coupang's global revenue comes from the Korean subsidiary?

1 A Yeah, so over 90 percent.

2 Q Over 90 percent. Okay.

3 And then roughly what percentage of their sales are in Korea?

4 A I'm not sure. What we statutorily file is the over 90 percent of the revenues.

5 Q Okay. Okay.

6 What percentage of your sales are in the U.S.?

7 A I would have to look at that. In the U.S., we're not mainly a consumer-facing business.

8 So the sales that we enable are from the U.S., into Asian markets.

9 Q Right.

10 A So we have, you know, thousands of sellers and generate revenue in the sense that
11 we're supplying from the U.S. and working with our partners in the U.S. to export goods, and the
12 ultimate consumer sale occurs in our Asian markets.

13 Q Right. And so I'm asking about the ultimate consumer sale. Is there any ultimate
14 consumer sales in the U.S.?

15 A Yes. On the U.S. side, our consumer-facing app here is a subsidiary called Farfetch,
16 which does luxury retail. And we have, I think, nearly a million customers in the U.S. who use our
17 Farfetch app.

18 And then we also have Stadium Goods, which is a sporting apparel company and app that we
19 have.

20 Q Okay.

21 So, if I go to the Coupang website or download the app, can I get products delivered to me
22 right now through RocketDelivery?

23 A If you download the Farfetch app, you can, in the U.S.

24 Q Okay. And the --

25 A You can have things delivered to you.

1 Q -- Farfetch app means I can get things delivered to me in the United States?

2 A Correct. Yeah.

3 Q And what are the goods that I can get delivered to me?

4 A So Farfetch focuses on luxury goods, so -- I'm not a big luxury guy, but -- luxury apparel
5 that you would buy, so Tom Ford or Dolce & Gabbana, those sorts of items --

6 Q Okay. But you said that, what, roughly 90 percent of your revenues were in Korea?
7 Or sales?

8 A The revenue.

9 Q Okay.

10 A Over 90 percent of revenue --

11 Q Okay.

12 A -- is generated in Korea.

13 Q Can I get Coupang Fresh delivered to me here?

14 A You cannot.

15 Q Coupang Eats?

16 A No.

17 Q Coupang Play?

18 A If you have a VPN, you could probably watch Coupang Play, yes.

19 Q But if I want -- if I went to Korea, I could do all of these things. I wouldn't have
20 to -- they're all -- that's what their focus is.

21 A Yes.

22 Q Okay. Great.

23 So what about workers? I know that you went through this before; I just want to make sure
24 I understood those numbers right. How many people work for Coupang in Korea?

25 A So over 90,000.

1 Q Okay. And then what percent -- and you are -- how important are you to the Korean
2 labor market? How big are you, in terms of --

3 A So we're the second-largest employer after Samsung.

4 Q Great. Thank you.

5 How many people work for Coupang in the U.S.?

6 A So about a thousand.

7 Q Okay. Okay.

8 And how many customers does Coupang have, active customers, right now? Or customers
9 on the rolls for Coupang?

10 A Yeah. So I would need to look at our SEC filings, because we -- we give those numbers,
11 I believe.

12 Q Uh-huh.

13 A But I think -- active customers, I think it's around 20 million.

14 Q Okay. Okay.

15 And any sense about, like, how much of the American population -- "the American," excuse
16 me -- the adult Korean population that might be?

17 A So it's -- so the total Korean population is about 52 million.

18 Q Okay.

19 A So the adult population --

20 Q Right.

21 A -- would be, obviously --

22 Q Some subset --

23 A -- less than that. Yeah.

24 Q Okay. Great.

25 I'd like to introduce into the record a press release dated July 2019.

1 [Rogers Minority Exhibit A
2 was marked for identification.]
3 [REDACTED] And the second page, as you'll see, is the English translation.
4 [REDACTED] Can I ask, is -- we'll take your representation. Is this your generated
5 translation, or is this a Coupang-generated English language statement?
6 [REDACTED] This is a machine-translated generation by Google.
7 [REDACTED] Google Translate.
8 [REDACTED] Okay. Thanks.
9 [REDACTED] And we have that included at the top --
10 [REDACTED] Yeah.
11 [REDACTED] -- to clarify.
12 [REDACTED] No, that's not what I was trying to get at. I was trying to understand whether
13 you got this version off of our website in English or if you got it in Korean and then you pressed a
14 button to have a machine translate.
15 [REDACTED] Correct.
16 [REDACTED] That's the way it worked?
17 [REDACTED] Yes.
18 [REDACTED] Great. Okay. Thank you.
19 [REDACTED] The first page is the original.
20 [REDACTED] And so are you saying we should be able to go to the Coupang website and get
21 the English language --
22 [REDACTED] I was just asking.
23 [REDACTED] Understood.
24 [REDACTED] Yeah.
25 [REDACTED] But --

1 [REDACTED] I don't know, to answer.

2 The Reporter. A?

3 [REDACTED] Yeah, that's our first one, A. Thank you. Marking as exhibit A. Thank you,
4 ma'am.

5 BY [REDACTED]:

6 Q Okay. It seems like you've had a chance to review that.

7 A Yeah.

8 Q So are you familiar with this release?

9 A I am not.

10 Q Okay. It reads, in part, "Coupang is a proud Korean company." Is that correct?

11 A Yes.

12 Q Okay. And it also reads, "Coupang was established and grown in Korea, and it operates
13 most of its business in Korea." Is that correct?

14 A Yes, that's what it says.

15 Q Okay. Is that true?

16 A If it's -- so I'm not familiar with this, I haven't seen this before, and --

17 Q Yes, sir.

18 A -- it's dated from a time before I joined the company.

19 Q Yes.

20 A If this is referring to Coupang Corp., then this is accurate. Coupang Corp. is a Korean
21 company. Coupang Corp. was founded in Korea. And so, if that's what it's referring to, then it's
22 accurate.

23 Q Okay.

24 A The parent company has always been a U.S. company.

25 Q So is it -- recognizing that you did not, you know, quote, "write" this, is it true to say that

1 Coupang is a proud Korean company?

2 A Coupang Corp., certainly. Our Korean subsidiary is a Korean company. And I think if
3 you would ask any employee of Coupang Corp., of the Korean subsidiary, they would say they were a
4 proud Korean working for a Korean company.

5 Q Okay. And so, just to be clear, is it accurate to say that Coupang was established and
6 grown in Korea?

7 A Sure. Coupang Corp., of course, much like Hyundai USA is a U.S. company, was
8 founded and built in the United States, but that Hyundai, the parent company, is a Korean company.

9 Q Right.

10 A Coupang was -- Inc. was founded in the U.S. It's been driven from the U.S.

11 Coupang Corp., as is required by Korean law, is a Korean company that was -- it was founded
12 in Korea and grew in Korea.

13 Q Okay.

14 And the press release also reads, "All of Coupang's facilities are designed, built, and operated
15 by Korean citizens," unquote. Okay?

16 It emphasizes that trillions of won were invested to build a logistics infrastructure to the
17 equivalent of 193 soccer fields.

18 Is that correct, in terms of what I just generally said?

19 A Yeah, that sounds right, based on what I just read.

20 Q That's correct?

21 A Yeah. Yeah, that's what it says.

22 Q Okay.

23 Using that yardstick -- and I am not a sports person. Using that yardstick of how many
24 soccer fields of logistics infrastructure, how many soccer fields of logistics infrastructure have been
25 built in the U.S.?

1 A I don't know. We have a fulfillment center in southern California, but I'm not sure of
2 its size.

3 Q Okay. Okay. But is it fair to say that the focus of the infrastructure that has been
4 designed, built, and operated is by Korean citizens?

5 A I don't know. I wasn't at the company at the time. Certainly, the team that designs
6 these is a -- is an international team. But, at this time, it may have been more led by Koreans. I
7 just don't know.

8 Q Right. And you joined Coupang, again, in what year?

9 A In 2020. So January 2020.

10 Q Okay.

11 A So about 6 months after this.

12 Q And it talks about how over 99 percent of Coupang product purchases go to Korean
13 suppliers and over 99 percent of Coupang's e-commerce platform sellers and over 99 percent of its
14 customers are Koreans. Is that right?

15 A That's what this says, yes.

16 Q Okay.

17 The press release indicates that it was trying to put down false rumors that the company is
18 not Korean. Is that correct?

19 A Yes. That's what it says.

20 Q Okay.

21 Who would you say are Coupang's competitors?

22 A So do you want the company names?

23 Q Yeah.

24 A Okay.

25 So we compete -- on our e-commerce side, so we compete against a Korean company called

1 Naver. There's also a company called Emart; Gmarket; 11Street; a company called Market Kurly.

2 On the streaming side, we compete against Netflix and a company called TeeVeeing.

3 On the restaurant delivery side, we compete mainly against a company called Baemin, which
4 is owned by Delivery Hero --

5 Q Okay.

6 A -- a German company --

7 Q Can I interrupt just for a second, sir?

8 A Yeah, you can.

9 Q Let me back up. So the first group of category -- of competitors that you listed -- why
10 don't we do it like that?

11 So can you go back to the first list? You said one of your competitors is Naver, and you sort
12 of --

13 A Yeah.

14 Q -- gave a small category. Can you explain to me what is the setting in which you would
15 consider them competitors? What is the marketplace that you were thinking of when you said
16 that?

17 A So Naver competes with us. They're a 3P marketplace mainly in Korea.

18 Q Okay. And so what is your competitive advantage relative to Naver and those other
19 firms that you had mentioned as part of that grouping?

20 A So I would say that our competitive advantage includes, but may not be limited to, our
21 logistics. So, for instance, Naver doesn't do any logistics. They're a 3P marketplace, so they're
22 dependent upon other logistics providers. I think our technology and our technology innovation
23 and development is a competitive advantage when it comes to Naver. Those would probably be
24 the two largest advantages.

25 Q Okay.

1 And what was the second category that you had mentioned?

2 A The technology innovation.

3 Q The second --

4 A Oh.

5 Q -- category -- you said --

6 A Of competitors?

7 Q Yeah.

8 A So on our restaurant delivery business.

9 Q Okay. So the first category was, like, e-commerce?

10 A E-commerce.

11 Q Okay. So before --

12 A Like, core e-commerce.

13 Q -- e-commerce you identified -- what?

14 A Yeah. Core e-commerce.

15 Q Core e-commerce.

16 A Yeah.

17 Q And that would be Naver?

18 A Naver and 11Street, Gmarket --

19 Q Okay.

20 A -- Emart.

21 Q Okay.

22 A It's a very packed, competitive landscape.

23 Q Okay.

24 And then with the second setting you were going to mention, sir, is food delivery?

25 A Yeah, so restaurant delivery --

1 Q Okay.

2 A -- where there's two main competitors: Baemin, which is owned by Delivery Hero, and
3 then Yogiyo.

4 Q Okay. And same question. What is your competitive advantage within that setting,
5 would you say? Do you have the same or different business models?

6 A I wouldn't say they're exactly the same. They're similar. I think the competitive
7 advantage there is similar. It's our logistics expertise and then technology innovation.

8 Q Got it. Got it.

9 And any other marketplaces that you compete in?

10 A So we compete in the -- on the fintech side --

11 Q Okay.

12 A -- with certain products and have various competitors there.

13 And then, just speaking of -- you haven't focused on Korea, so just speaking of Korea, we've
14 also begun developing AI products as well.

15 Q Okay. Okay.

16 A Oh, and I don't know if I mentioned streaming, our OTT, where we compete against -- in
17 Korea, we compete against Netflix and TeeVeeing and a couple of others.

18 Q Okay. And your competitive advantage and your business model, how would you
19 compare those?

20 A With those, I think the competitive advantage is, you know, like I said, the technology
21 innovation and then some of our production abilities and facilities.

22 Q Okay. Okay.

23 With regard to fintech? That was the last one that you mentioned.

24 A Yeah. Fintech, we have various competitors, both -- in the Korean market -- both
25 Korean and Chinese competitors.

1 Q Okay. Okay. Thank you.

2 Now let's sort of shift gears for a minute. My Republican colleagues have explored with you
3 the government's or some of the government's multiple investigations of Coupang. And so what
4 we'd like to do is step back and think about the investigations holistically.

5 We take discrimination against American companies very seriously. That's why we
6 appreciate the opportunity to drill down into some of the specifics with you.

7 Also, in doing so, please don't draw any adverse inferences from clarifications for the record
8 that we may ask. Understanding that comparisons may not be perfect, it's still important to
9 undertake, sort of, various points of reference and explanations as they are introduced for
10 discussion. Okay?

11 So I want --

12 [REDACTED] [REDACTED] before we go forward, do you want to -- do you want this back? Do
13 you want us to hold on to exhibit 1?

14 [REDACTED] You can keep those.

15 [REDACTED] Okay. Thank you.

16 [REDACTED] Okay.

17 BY [REDACTED]

18 Q So can you summarize the various investigations into Coupang, sort of, at a higher level?

19 A Do you mean all of the investigations or the investigations that followed the data
20 incident in November?

21 Q Let's say all of the investigations.

22 A Yeah. So we have -- so I'll sort of go regulator by regulator.

23 KFTC. We have 30-plus investigations from the KFTC --

24 Q Uh-huh.

25 A -- into all aspects of the business.

1 On the labor side, there's multiple investigations into various aspects of our labor practices.

2 On the Korean customs, we have, you know, customs-related investigations.

3 The KCC, or the communications commission, we have various investigations there.

4 I don't -- I've mentioned the customs authority. There's investigations from police and
5 prosecutors into various aspects.

6 Q Okay.

7 A The financial services regulator, of which there's two different ones, the FSS and the
8 FSC. I'm not sure exactly the difference between the two of them.

9 I'm not remembering all of them, but that's broadly --

10 Q Okay.

11 A Oh, and, yeah, investigations from the National Assembly, from the legislature, from
12 various committees there. I think there's four or five different congressional committees.

13 Q Okay.

14 A The -- KISA, the cyber regulator.

15 And then PIPC, the privacy information regulator, as well.

16 Q Great. Great.

17 So I'd like to introduce exhibit B into the record, and that is the chart that Coupang had
18 produced, starting with Bates number 0001994.

19 [Rogers Minority Exhibit B

20 was marked for identification.]

21 BY [REDACTED]

22 Q Okay. So you've had a minute to obviously go through that, yes?

23 A Yeah.

24 Q Okay. Great.

25 So it would be helpful for us to get a better understanding of the investigations listed in the

1 production so we can better understand the allegations of discriminatory conduct by the Korean
2 Government.

3 And so which investigations do you think have been most consequential for your company?

4 A Of these investigations, which have been most consequential? I guess I'm not sure
5 how to answer that. What exactly do you mean by "most consequential"?

6 Q Which investigations have been the ones that you have viewed as most disruptive or
7 most vexing or most discriminatory?

8 A Gotcha.

9 Well, I think, overall, the number of investigations that were all launched post the data
10 incident that are unrelated to the data incident.

11 I think, to me, most personally vexing is the police investigations into me for perjury for
12 statements that I made in the National Assembly discussing the NIS investigation that we
13 cooperated in --

14 Q Right, right.

15 A -- where they're threatening to send me to prison for a minimum of 1 year --

16 Q Right.

17 A -- and, maximum, I think 5 years per charge --

18 Q Got it.

19 A -- and they're aggressively pursuing those.

20 Q Right.

21 So, you know, let's start off with just looking at the what I'll just put together as the
22 data-related -- data-breach-related investigations.

23 A Yeah.

24 Q So what was the alleged -- just to be clear, what was the alleged wrongdoing that
25 prompted the Korean Government's investigation?

1 A Yeah. So the data incident occurred where a former employee stole from us what's
2 called a "fallback key," which is an access code that's used to access customer information -- stole
3 that from us and then, post his employment, used that to access roughly 33 million customer
4 accounts and then retained 3,000 of those -- information that included name, cell phone number,
5 address, email address, and limited order history, and for a very, very small subset of those, about
6 2,600, access codes to building lobbies.

7 So that was the data leak that prompted the government response.

8 Q Right. Did this former employee ever hold -- what was his position within Coupang?

9 A So he was an engineer that worked in a department on the technical aspects of our
10 customer accounts. And so he was part of the team that designed the fallback system of which the
11 fallback key was a part.

12 Q Was he one of the lead developers of that?

13 A Of the system?

14 Q Whether or not --

15 A Or the team?

16 Q I guess, whether or not that was part of his title.

17 A I don't -- as I sit here, I don't recall. I'd have to look it up.

18 Q Okay.

19 And I'm just curious about what were the terms under which he left, and, you know, was the
20 alphanumeric key disabled, et cetera? How was he able to keep using it?

21 A So the key wasn't his key.

22 Q Okay.

23 A He had authorized access to it in his employment. All of his access to the company
24 was terminated at his termination of employment.

25 This was a key that was never supposed to leave the company. It wasn't his password, it

1 wasn't -- it was developed as part of this fallback system. He illegally copied that and stole it and
2 took it with him when he left.

3 My understanding is, global best practices for a fallback key like that are to replace them on a
4 3-year cycle. That fallback key, my understanding, was less than a year old.

5 Q Right.

6 How long was the vulnerability exploited before it was uncovered?

7 A So our understanding from the forensic analysis is that he began probing the
8 vulnerability in January of 2025 and then began actively exploiting it sometime between April and
9 June.

10 As a comparison, SKT that had a breach of over 20 million customer accounts in 2025 in
11 Korea, I believe their vulnerability was open and unknown and unaddressed for over 5 years. But I
12 don't believe the government has ever commented on that.

13 Q Okay. Okay.

14 Had the employee ever identified or discussed that there were any kind of bugs in the
15 system?

16 A My understanding is, he raised -- during his employment, he raised this fallback system
17 as a potential vulnerability. And my understanding is that part of the reason why he exploited the
18 vulnerability post his employment is he felt like he hadn't been listened to and properly respected
19 when he raised those concerns, and so wanted to show the company that what he was saying about
20 the vulnerability was, in fact, true.

21 Q Got it. Got it.

22 So, when it comes to the -- well, let me back up for a minute, because there's a lot to unpack
23 here.

24 Before we continue, has Coupang previously been investigated for such matters, meaning
25 data breaches?

1 A Yes.

2 Q Okay. Can you tell me what matters it was investigated for?

3 A I don't have the list in front of me, but we've had some limited data breaches in the past
4 that we've worked with the regulators on, and I believe we have a couple fines that we have paid in
5 that regard.

6 Q Okay. Okay. Were those investigations discriminatory?

7 A So I wasn't closely involved in those, so I don't -- I'm not sure. I don't have an opinion
8 on that because I wasn't closely involved in them. I'm just generally aware of them.

9 Q Uh-huh.

10 Do you think it's appropriate for the government to be regulating and overseeing issues
11 related to, in this instance, the question of data breaches?

12 A Very much so. I think that's an important role -- yeah, let me just be clear: I think
13 that's an incredibly important role of governments and regulators, wherever they are. And we
14 spend a lot of money and a lot of time to work closely with our regulators and to make sure that our
15 systems follow those regulatory requirements in every jurisdiction in which we operate.

16 It's something we feel is very, very important. And this is -- of the many companies I've
17 worked with, this is the only company where I don't and have never received pushback from the CFO
18 when I asked for additional expenditure to build out our compliance team or our regulatory
19 enforcement team.

20 Q Got it.

21 BY [REDACTED]:

22 Q So you said that you were not involved in or had no knowledge of the investigations into
23 prior data leaks?

24 A I wasn't closely involved. They would've been reported to me; I'm generally aware of
25 them --

1 Q Uh-huh.

2 A -- but haven't -- but -- but those are very different than what we're seeing now. What
3 we're seeing now is simply not normal. You know, the regulators descending on us, the level of --

4 Q Got it.

5 A -- vitriol and --

6 Q So this --

7 A -- surpasses --

8 Q -- this current level of investigation is not commensurate with the three prior levels of
9 investigation for the three prior data leaks.

10 A Yeah.

11 Q Got it.

12 And, as administrative officer -- and you mentioned earlier, part of your job was keeping tabs
13 on compliance --

14 A Yeah.

15 Q -- you weren't heavily involved --

16 A They were reported to me. I wasn't heavily involved because -- I assume, because they
17 weren't overly aggressive or particularly large.

18 Q Got it.

19 A They were very different than what we're seeing right now.

20 Q Got it.

21 BY [REDACTED]:

22 Q Right. And so what -- you know, sort of turning back to the current investigation, what
23 investigative steps appear to be improper or violated by the Korean company? Or, excuse me, by
24 Korean policy, by the regulators?

25 A So where do -- where do I think that the regulators have overstepped?

1 Q Uh-huh.

2 A So, in general, I think the investigations into -- the couple investigations that are into the
3 core allegations, in general those appear appropriate.

4 The number of investigators that are being sent, the investigative days -- these -- you know,
5 we're -- this happened end of November. We still have large teams of these agencies camped out
6 in our offices on a daily basis, not leaving until, you know, 8 or 9 o'clock at night on a regular basis.

7 And then, in addition, it's all of the other regulators that descended upon the company on
8 issues that were completely unrelated to the data incident and that appear to be, you know, directly
9 following, you know, public pronouncements by the President and the Prime Minister to target the
10 company and to make sure that, in the words of one member of the National Assembly, that
11 Coupang is bankrupted and kicked out of the comp- -- of the comp- -- sorry -- of the country.

12 Q Okay. Have you been bankrupted or kicked out of the country?

13 A They're working hard.

14 Q To date, no.

15 A Well, they're working hard on it. Yeah, they can't do that in just 1 month, but they
16 have threatened trillions of Korean won in penalties, and they have -- they're trying to jail both the
17 former CEO and the current CEO and have talked actively about shutting us -- about shutting us down
18 and a full business suspension.

19 Q Now, going back to the question of -- can you just give us a general thumbnail of won to
20 U.S. dollars?

21 A Yeah. So a trillion U.S. (sic) won would be probably about 700 million U.S. dollars. I
22 used a trillion because I had just said a trillion, so --

23 Q Okay.

24 You know, I understand that there's a volume issue. You list in the spreadsheet things like
25 document requests, interviews, et cetera. Can you compare that -- do you have any sense about a

1 comparison to that with what other companies might've experienced?

2 A Well, so, in the example of SKT that had a data leak the same year as ours, over
3 20 million customer accounts, data that was far more sensitive than our data leak -- we have 11
4 agencies; I believe SKT has 1 or 2 agencies that investigated them as a response to that data leak.

5 Olipay, which had 6 million dollars, U.S. dollars, stolen from their customers in their data leak,
6 I believe they had one agency investigating them.

7 Kakao, which illegally sent over 40 million customer accounts to China in violation of law, I
8 believe they had one, maybe two, agencies investigating them.

9 Q Okay.

10 Do you know if with Kakao and SKT there were retrievable instances of harm and, in terms of
11 Kakao, the retrievable instances of credit fraud? Were there any?

12 A I don't know. I would have to look at that. I know that the information -- the
13 customer data that was leaked would enable criminals to clone their phones and steal information
14 and money from them. But I'm not aware as I sit here now. I'd need to look at that.

15 Q Okay.

16 How about -- you talked about the pre-dawn raids, in particular --

17 A Yes.

18 Q -- as part of what you're experiencing. Did you experience that prior to the -- the, sort
19 of -- the conduct that commenced after the November breach was made public?

20 A Yes. We've been subject of dawn raids for years.

21 Q Okay.

22 So, going back to it, you said that the -- and I don't want to put words into your mouth, of
23 course, but you said that, sort of, the general need to do the investigation was legitimate.

24 A Yes.

25 Q And then you said -- how would you characterize the core of the investigation? It

1 seemed like you thought that was legitimate.

2 A Certainly. I mean, if there's a -- if there's a data leak, having the KISA and PIPC, the two
3 regulators where that's relevant to their regulatory authority -- having them do an investigation is
4 not only permissible but expected and, you know, I would think, required.

5 Q Right. Right.

6 And so you were bringing up, in particular, Kakao Pay and SKT as points of reference when
7 you were comparing how Coupang was treated versus others. Am I getting that right?

8 A Yeah. And I think I raised Olipay as well.

9 Q Olipay. Okay.

10 Can you explain, you know, why the firms or the conduct -- you've done this a little, but just
11 encapsulate for me why the firms or the conduct is comparable -- or is, I guess, from your
12 perspective, not comparable.

13 A Between the data leak itself, or the way we were treated, or both?

14 Q The data leak.

15 A So, in all of those other instances, my understanding is, the data that was leaked was far
16 more sensitive and easily exploitable, criminally, than in our case.

17 Our case involved mainly the type of data that Americans would think of as semi-public.
18 What I mean by that is information that you would find in the White Pages, you know, back when
19 those were still printed. Whereas, with the other companies, it included things like their ISN
20 number for the card in their cell phone, allowing you to clone their cell phone, or government ID
21 numbers or, you know, financial-related information far more sensitive than anything that we had
22 leaked.

23 Q So how are the -- you know, what are the overlaps between the two in terms of ways in
24 which the data leak with Coupang is comparable to them? You're emphasizing the differences
25 between them. What are the core --

1 A The similarities?

2 Q Yeah.

3 A I think they were both data leaks -- though, in those instances, they were vulnerabilities
4 that were hacked into. Ours was a former employee who stole that from us. I think that's a
5 meaningful difference.

6 But they were data leaks, data information getting out there, of, you know, a high number of
7 customers. I think those are the general similarities.

8 The difference is, with ours, it was low-sensitivity data, and yet we had the President, the
9 Prime Minister making statements at the very beginning already prejudging what had happened; we
10 had, you know, people misleading our customers that financial data was leaked when it wasn't. You
11 know, I was called up numerous times to the National Assembly, wasn't allowed to use my
12 interpreter, was shown documents in Korean without any translations, and was then, you know,
13 brought up on charges of perjury for statements that I -- truthful statements I made or claims of
14 perjury for things I never said.

15 Those were all things that didn't occur in the other leaks.

16 Q So is it your testimony that there was no consumer harm associated with the leak?

17 A Correct. And that has been confirmed by the JIT, which is the Korean Government's
18 joint investigation task force that's investigating us; the KFTC; and the Seoul Metropolitan
19 Police -- have all confirmed that there has been no customer harm.

20 Q Okay. And the KFTC, is it true that they've announced that there will be no suspension
21 of business?

22 A Yeah. Just a couple of days ago, they announced, because there hasn't been customer
23 harm -- as the truth is finally coming out, they have then said that they can't issue a business
24 suspension.

25 Of course, they gave that testimony in front of the National Assembly, and the response of

1 the National Assembly was to publicly call for more agencies to investigate us, saying, "Well, if you
2 can't get a business suspension on them this way," they said, "let's get more investigations against
3 Coupang," and asked other agencies to open new investigations against us.

4 Q Okay.

5 You've mentioned that you acquired the services of forensic review of Mandiant and Palo Alto
6 Networks. Is that correct?

7 A Yes.

8 Q Okay. Can you explain to me the general scope of what they did?

9 A Yeah. So I think I would break it into two elements. One is, they were commissioned
10 by us to look at everything to do with the specific data incident, and then also look at our
11 information-security work generally to give us a view of how strong it was and places where we
12 might need to improve it.

13 So we want to -- you know, we want to come out of this understanding the data incident and
14 the problems there and making sure that we've fixed all of those problems but also looking
15 holistically at everything we do and making sure that we strengthen, you know, all of our security.

16 Q Okay.

17 Have you shared with this committee their reports or the conclusions of their reports?

18 A So we -- I don't believe we have yet, because they haven't been finalized by Mandiant.
19 I believe there's an interim report that they're finalizing or have just finalized that we'll begin making
20 available to regulators.

21 Q Okay.

22 [REDACTED] And we're happy to give that to you.

23 [REDACTED] Okay. Great.

24 BY [REDACTED]

25 Q And so can you guarantee that this former employee accessed no more than the

1 33-ish million accounts that have been identified publicly by Coupang?

2 A Yeah, I wouldn't guarantee anything. The forensic analysis thus far performed by
3 Mandiant and by Palo Alto Networks and also the recent report put out by the joint investigation task
4 force all currently are concluding that the total number is around 33 million.

5 Q Okay.

6 And, you know, what can you say -- if not guarantee, what can you say about who else, if
7 anybody, gained unauthorized access to those 33-million-plus accounts?

8 A So, so far, what we understand from the investigation is, there is no evidence that
9 anyone besides this one individual had any access to the data.

10 So, for instance, we have companies that regularly screen the dark web and other places
11 where you find, you know, stolen data, and there has been no evidence of any of that occurring.

12 The police have made similar statements, that they have found, you know, none of this data
13 in the hands of anybody else.

14 So what I can say is, thus far in the investigation, there's no evidence that the data went
15 beyond this single individual.

16 Q So there is not -- to your knowledge, is there any of the -- some data set online
17 somewhere that people could buy that would be based off of the information accessed?

18 A To my -- I'm -- to my knowledge, I'm unaware of any evidence that that's the case.
19 And --

20 Q Is that something -- I'm sorry.

21 A And I would think, given the screening that I know -- PIPC, the regulator, is screening the
22 dark web; the police have done investigative work; and then we have our companies that screen the
23 dark web, and no one is aware of any evidence. I would assume that if any were out there it
24 would've been found by now.

25 Q Do you know if that's something that you all are actively monitoring?

1 A We are actively monitoring, yes.

2 Q Okay.

1 [12:20 p.m.]

2 [REDACTED] Can we pause for a minute while we get something printed?

3 The Witness. Sure.

4 [REDACTED] Thank you.

5 [Recess.]

6 [REDACTED] We're back on the record.

7 The Witness. So, just during the break, I wanted to -- I got a note from my team, going back
8 to the statement about the chairman of the KFTC pulling back and saying there wasn't consumer
9 harm and so a business suspension was not proper. He gave a public statement today, Korea time,
10 retracting that and saying, no, the business suspension is still very much a legal possibility and
11 something that we're actively -- that we're actively looking at.

12 And I guess I would put that -- to me, that fits in the broader context to some of your
13 questions of -- I think it's completely legitimate for a government to investigate a data leak. What I
14 think is not legitimate is using that as a pretext to launch an all-of-government campaign against a
15 company with a goal of significantly harming or even running the company out of business.

16 For a President of the country to prejudge an incident before the facts are known and for, you
17 know, regulators to allow misleading information to be circulating knowing that it's false -- for
18 example, that financial data had been leaked. Long after we had all confirmed that that was not
19 true and that the regulators themselves had confirmed that that was not true, they continued to let
20 that be falsely believed by our customers in Korea.

21 And then, you know, us engaging in a cooperative investigation with the NIS under statutory
22 authority and then having that denied and the head of the NIS, you know, lying -- in my view, lying to
23 the Korean people about that joint investigation that they directed us in, that is what I view as
24 illegitimate or improper.

25 [REDACTED]. Great. Thank you.

1 We can go off the record.

2 [Recess.]

1 [1:09 p.m.]

2 [REDACTED] On the record.

3 BY [REDACTED]

4 Q Mr. Rogers, are timelines for responding to requests from South Korean regulators
5 reasonable and consistent?

6 A In our experience, they have -- they have not been consistent. It's routine, with our
7 regulators in Korea, to have large document and data demands and be told that we needed to
8 produce them same day and that if we didn't there would be criminal complaints against us for
9 obstruction of the investigation.

10 Q Have you experienced situations in which the deadlines to respond to a given request
11 were unusually short?

12 A Yes. I mean, we -- it's very normal for us to get that things must be -- you know,
13 thousands and thousands of documents need to be produced same day. We'll also be, you know,
14 told in the meeting, by the end of the meeting, that large amounts of data need to be produced and
15 turned over. And it always comes with the threat of criminal action if we don't comply.

16 Q Have you received deadlines that would be impossible to comply with?

17 A Yeah. I mean, certainly. The amount of data that we're often being asked for and
18 the timelines that are given are, I would say, physically impossible. You know, requests for data
19 logs that are tetrabytes large of data, where it takes, you know, days to be able to just download the
20 data, and being told that it needed to be produced to them by end of day.

21 Q Have South Korean regulators ever required Coupang to produce materials, documents,
22 or communications that were stored outside of South Korea?

23 A Yes, they routinely demand documents that are in the United States. And if we raise,
24 you know, jurisdiction or venue questions, once again we're threatened with immediate criminal
25 action if we don't turn them over immediately.

1 Q So you just testified, to confirm, that South Korean regulators have required Coupang to
2 produce materials, documents, and communications that were stored in the United States?

3 A Yes.

4 Q And they've required them to be produced even when doing so may impact Coupang's
5 ability to comply with United States laws and regulations?

6 A Yes.

7 Q Have South Korean regulators ever requested information from Coupang that is not
8 directly related to the alleged conduct that they were investigating?

9 A Yes. That's a -- it's a regular tactic that we see, is one regulatory authority come in and
10 make incredibly broad requests that are oftentimes irrelevant to the conduct they're actually
11 investigating. We'll push back on relevancy grounds. They'll threaten us with criminal action.
12 We'll end up providing the documents, or a subset of the documents. And then they'll provide
13 those to another regulator that'll use them to initiate an investigation against us.

14 Q Do any specific examples come to mind?

15 A So one that recently occurred was -- I believe it was the NTS, the tax authority, because
16 they have a -- my understanding is, under law, they have a broader mandate in the documents that
17 they can legally get. And so they made broad requests, and those documents, my understanding,
18 were then provided to other regulators to look into other matters and, I believe, in one instance,
19 provided to prosecutors to help them launch a criminal investigation.

20 Q Along those lines, have South Korean regulators ever requested information from
21 Coupang that is not directly related to that agency's jurisdiction?

22 A Yes. That happens fairly regularly, where -- so, as an example, PIPC, the privacy
23 regulator that has the investigation, you know, into the data leak, will request information around
24 our membership enrollment practices, in one example, and then that was, I believe, provided to the
25 KFTC for them to do an investigation.

1 Our membership enrollment and how that process works is -- you know, has nothing to do
2 with what PIPC is investigating and, you know, completely unrelated to the data leak, and yet using
3 the data-leak investigation to get that information to then use that with other regulators.

4 Q How would you describe the compliance cost placed on Coupang by South Korean
5 regulators every year?

6 A It's -- the cost is enormous. I don't have the numbers in front of me, but we have the
7 largest compliance team that I've ever seen. And my practice at Sidley was partly in building
8 compliance programs and compliance investigations for large corporations. When I went to
9 Millicom, I went there as the chief compliance officer. I've never known of a company with a
10 compliance department as large as ours is in order to respond to all of the different regulatory
11 investigations and inquiries that we receive.

12 Q Understanding you don't have the numbers in front of you, do you have an estimate of
13 the amount it costs to comply with South Korean regulations each year by Coupang?

14 A I don't. It's something I could certainly pull together if that would be helpful.

15 Q Wonderful.

16 Do you have an idea of how many individuals you have devoted to compliance within the
17 organization, employees?

18 A I would need to look at it, but it's probably somewhere around 100 different employees.

19 Q Does Coupang have outside entities, law firms, other, sort of, organizations that it
20 contracts with for compliance purposes?

21 A Yes. We use every -- basically every large Korean law firm and then, of course,
22 multiple U.S. law firms that help us, including law firms that specialize in compliance and assist us in
23 building and expanding the compliance program.

24 And we went through a process a couple years ago where we built extensive checklists based
25 on every single regulation that is relevant to our operations in all of our markets. You know, that

1 was a project that involved 20 different law firms across the globe building that out. Most of that
2 was in Korea.

3 If I had my chief compliance officer here with me, he could tell you how many distinct
4 regulations that apply to Coupang in Korea. It far exceeds any of our other markets.

5 Q Along those lines, you know, understanding that South Korea is Coupang's largest
6 market in which it sells goods and products, how do the compliance costs compare with the
7 compliance costs imposed by regulators in other countries, kind of, adjusted for the scale of your
8 operations there?

9 A Yeah. I mean, if you look -- right. If you take it from a ratio perspective, even given
10 the fact that it's our largest market, by, sort of, ratio, it far exceeds what we need to expend in any of
11 our other -- any of our other markets.

12 Which is, in some ways, the opposite -- generally when your operations are small in the
13 market, your compliance costs would be a higher percentage, because you're still doing a lot of
14 different things even though you're small, and so you have a number of different regulators that
15 you're responding to, and, as you grow, you get economies of scale, and your compliance costs go
16 down as a percentage of your revenue. We certainly see that in a market like Taiwan that we
17 launched 5 -- 4 or 5 years ago now. We have, you know, begun to see those economies of scale.

18 In Korea, it's the exact opposite. The larger we get, the more our compliance costs are as a
19 percentage of our -- of our revenue.

20 Q Again understanding you don't have the numbers in front of you, how much personnel
21 time does Coupang dedicate per year to responding to requests and investigations from South
22 Korean regulators?

23 A It's a lot. I don't have the numbers, and I would actually -- that's a great question, and
24 I would love to pull that together for you. Because it's -- I don't remember the numbers, but just in
25 the one investigation on the self-preferencing of private label, the numbers that they put together

1 were shocking to me, just in that one investigation, of how many man-hours we spent, not just our
2 legal and compliance teams but our business teams, and being called back in, you know, multiple
3 times over months and months and having to come back again for an interview and then another
4 interview and another interview on the same topic, the same questions, and just repeating it and
5 doing it over and over again.

6 Q Have Korean regulators ever threatened interim measures such as business suspensions
7 or operational restrictions during ongoing investigations?

8 A Yes. The most recent example is with the data leak and the KFTC threatening either a
9 full or a partial business suspension. We had just been talking about that. He renewed that today.

10 I think it's -- there, it's a great example of, some of the facts came out -- based on the facts of
11 what the data leak actually was, you know, he publicly said a business suspension isn't warranted
12 under the law.

13 Clearly, over the next several days, he was heavily politically criticized for that statement.
14 And under apparent political pressure, he came forward today and reversed that statement and said,
15 "No, no, no, that business suspension is still very much a live," you know, "legal issue, and," you
16 know, "I was misreported."

17 Q Can you think of any other examples where that's occurred?

18 A Yes. We've had investigations from the Labor Ministry where we've been threatened
19 with business suspension.

20 I think the -- I may be wrong on this. I believe the KCC, the communications commission,
21 has also threatened us in the past.

22 And then, you know, in the local -- in the recent data leak, there were several members of the
23 National Assembly who threatened us with a -- either a full business suspension or shutting down
24 dawn delivery, which is, you know, the area where Korean companies have been unable to compete
25 with us, shutting that down.

1 There are several National Assembly members who have continued to pursue that. I think
2 one representative made a public statement just this last week talking about continuing to pursue
3 that business suspension, having nothing to do with the data leak, but using that as a pretext to bring
4 that up.

5 Q Have you seen Korean regulators use such threats as leverage during negotiations or
6 settlement agreements?

7 A Yeah. So that's a regular occurrence that we see when we get to the settlement
8 portion, where they'll come out with, you know, a huge number that's not supported by the
9 regulatory authority for establishing a fine; we'll push back on that; and their response will often be,
10 "Well, that's fine, then we'll just launch three new investigations into you, or you can just pay this
11 and be done with it." Or they'll say, "That's fine, we'll refer this for criminal prosecution, or just give
12 us the number we've asked for and we'll go away."

13 Q So, in addition to threatening, say, larger fines and penalties, you've also seen them
14 threaten unrelated investigations and/or criminal charges?

15 A Yes, including when we asked them -- one of the things we've tried to ask them to do in
16 all of these investigations after the data leak is to put their request to us in writing so that we have a
17 record of what's being requested from us.

18 We're told -- when we make those requests, they tell us, you know, "Either you can give this
19 to us" -- "If you make us put it in writing, then we're going to request three times the amount of data
20 we're asking for right now. So you get to decide whether you want it in writing or whether you
21 want a request that's three times larger than what we're requesting right now."

22 Q Has the Korean regulatory environment affected Coupang's decisions about capital
23 investment or infrastructure expansion?

24 A Yes. I have talked about our -- building our AI business. There have been several
25 investment decisions that we've had to put on hold on that.

1 There are product lines, especially on the FinCEN side, that we've had to put on hold.

2 One important investment that we've been working on is with our large fulfillment centers in
3 Korea. It's a, you know, common practice to roll those up into a REIT, you know, a real estate
4 investment entity, and so we had been working with Korean regulators and had investors ready to
5 put that together.

6 After -- it was after my first National Assembly hearing, they called in the head of the financial
7 service that was in charge of that. He was berated by the National Assembly for allowing us to even
8 contemplate such an investment.

9 And we received a letter -- sorry, "we" didn't -- the potential investors received a letter just
10 days later telling them to justify why they were -- and they used a phrase in Korean -- why they were
11 filling Bom Kim's pockets with money and that they needed to -- basically implying that, if they went
12 forward, there would be criminal investigations into the investors.

13 And, at the same time, the financial authority reached out to us and told us that they were
14 putting the regulatory review of that REIT on indefinite hold. And so that was supposed to have
15 closed a month ago, and it's in perpetual limbo at this point.

16 Q And so is it fair to say that, from your perspective, you've seen Korean regulators take
17 action based on public pressure or pressure from policymakers to be more aggressive towards
18 companies like Coupang?

19 A Yes.

20 I'll give you another example. In my hearing, they called up one of the heads of the National
21 Pension Service, which is an investor -- the Korean National Pension Service, which is an investor in
22 Korea, and they yelled at him, why he was investing in this illegal company that was an
23 embarrassment. And, days later, the NPS announced that they were divesting -- I don't think all of
24 their holdings in Korea, but a large portion of their holdings -- sorry, in Coupang -- as his response to
25 that.

1 In addition, the KFTC chairman was criticized at my National Assembly hearing for not
2 launching investigations into us. A couple -- I think it was 2 days after that, three new investigations
3 were launched by the KFTC.

4 They brought in the police commissioner, the head of the police authority in Korea, and spent
5 a bunch of time criticizing him for not being more aggressive in their investigations. And a couple
6 days later, they announced an 86-member police task force to raid and look into all of Coupang's
7 businesses. They've been interrogating our accounting teams. They've interrogated PWC, our
8 statutory auditors, and -- directly as a response to being criticized by members of the National
9 Assembly.

10 Q Has this environment influenced decisions about hiring?

11 A Yes. Given what's been going on, we've put a hiring freeze in place, given that there's
12 a lot of, you know, questions about how we will continue to operate and what that will look like,
13 given the current political pressure and political rhetoric.

14 Q Has it influenced decisions about pricing?

15 A It has, in the sense that, in a lot of the investigations that the KFTC has pushed, we have
16 been criticized for providing low prices to our consumers, and so -- the Korean market is
17 incredibly -- "monopolistic" is the wrong term -- concentrated. It's an incredibly concentrated
18 market in all -- you know, in automobiles, 90 percent is Hyundai; in consumer electronics, 60 or
19 70 percent is Samsung; in -- you know, you can go through every major area, and you'll see that
20 there's a monopoly or a duopoly. It's just the way the economy has developed.

21 So you imagine, when that occurs, what you have is high prices, low services, you know, lower
22 quality. I've been told that Hyundai cars in the U.S. are made with 20 percent more steel than they
23 are in Korea, and they're cheaper to buy in the U.S. than they are in Korea. So the sorts of things
24 you would expect to see from monopolistic economic practices.

25 Retail was the exact same thing. You had these large chaebols, these Korean

1 conglomerates. When we came into the market and started forcing competition for the first time in
2 that market, not only did services improve -- you know, we were delivering -- there is no Amazon
3 there. It's the fourth-largest e-commerce market in the world, and Amazon avoided it, which is a
4 great opportunity for us, but the reason why they avoided it is all of these problems.

5 When we went in there and started delivering these services that Americans take for granted,
6 right, it completely disrupted the retail market. And all of these large, highly concentrated
7 conglomerate companies, right, were forced to compete for the first time.

8 And so what we have seen is, over the last -- especially the last 5 years, as we've reached
9 scale, is consumer prices have continued to go down as services have continued to go up -- exactly
10 what you'd expect to see from an economic theory, right? As you increase competition, prices
11 lower, services increase, the value of goods, you know, that consumers are getting increases.

12 And, you know, as that has happened, the pushback to the way we compete -- so trying to get
13 rid of dawn delivery, which our customers love, being able to get products quickly; the lowering of
14 prices that our competitors struggle to compete with because they want to sustain their margins that
15 they've always had. And Korea and Taiwan have some of the highest retail margins in the world,
16 and then we come in and those margins shrink, because we don't keep those margins, we pass them
17 on in cost-savings to consumers.

18 The KFTC, the exact opposite, I think -- obviously, I'm no expert -- but the exact opposite of
19 what you would expect to see from a competition authority that would want that kind of
20 competition and would want generally lower prices for consumers. Obviously, there's exceptions to
21 that. And instead what we see is, they come in and they push us to increase consumer prices so
22 that -- and not match market or push the market to have more competitive pricing. And so, in
23 many ways, we get the exact opposite reaction from the competition authority that we would see in
24 Europe or in the U.S., which has been, you know, very surprising.

25 But we're disrupting these markets that for 20, 30 years had these large, you know,

1 conglomerates that -- you think, you know, Costco has about 10,000 SKUs in their store, and Costco is
2 known for not having a lot of variety, right? Their business model -- it's a great business model -- is,
3 they focus on what they think is going to be popular and they limit it, right, so they can focus on that
4 and give a great customer experience. But 10,000, that's a low number. A typical Walmart
5 Supercenter has probably five times that many individual SKUs, meaning independent, individual
6 items.

7 The general Korean retailer has 5,000 for a comparable size. They have not invested in
8 selection. They haven't invested in being able to lower prices, because there hasn't been that
9 competition -- until we came in. And it's been highly, highly disruptive for them.

10 We are the only American company in Korea that leads a market segment, in any segment.
11 There is no other American company that is -- you know, we're the largest online retailer in Korea.
12 It's the only place where an American company has done that.

13 And so when we see the kind of pretextual attacks, the prejudging, the discriminatory
14 investigations and actions, to us it's very clear as to why, right? They've allowed an American
15 company to lead one of their market segments in a country where that just does not happen, right?

16 If they allowed the iPhone to actively compete with the Galaxy, market shares would look
17 very different. If they allowed American car companies to compete with Hyundai, I think market
18 shares would look very different than they do now.

19 And so allowing us to compete and become a market leader is very problematic for them.

20 Q So is it your position that Coupang's place as the only American market leader is at least
21 in part responsible for a lot of the aggressive regulatory approach that has been brought against it?

22 A That's my view. And I think it explains why, even in a market that is traditionally
23 protectionist and has been for a long time, why we get even a higher share of those attacks and that
24 discriminatory behavior than some other American companies.

25 Q And just to clarify something you said in this response to this last question, the KFTC has

1 actually pushed Coupang to increase its prices. Is that correct?

2 A Yes.

3 Q And has criticized Coupang for offering prices that it considered too low?

4 A Yes.

5 Q Have investors raised concerns about regulatory risk or uncertainty in South Korea?

6 A Yes, especially given the response in the data leak. We've seen several of investors
7 who've filed actions -- I think a 301 action with the USTR and then an arbitration action under KORUS.

8 They're very concerned. For 10 years, they invested billions of U.S. dollars into Coupang and
9 into Korea, and at the moment when we turned profitable and they started to see a return on their
10 investment, they're now seeing this type of behavior that's, you know, working to limit, if not
11 completely shut down, Coupang, and, you know, the investment of U.S. dollars and U.S. pension
12 funds that they've been making, you know, over the last 10, 15 years and worried about what will
13 become of that if we're not allowed to compete fairly in that market.

14 Q Do you believe that South Korea's aggressive regulatory approach negatively impacts
15 U.S. investors?

16 A Yeah, certainly. I think we've lost a full -- more than a third of our market cap
17 following the data leak, which, you know, has directly adversely impacted American investors and,
18 you know, Americans who invest in funds at Sequoia or BlackRock or any of the other
19 U.S. investment funds that have long been investors in Coupang and retail investors who just buy us
20 on the open market.

21 Q I want to turn in just a second to the Coupang data incident, but before I do so, I want to
22 give you the ability -- is there anything else you'd like to say on some of the topics we've been
23 discussing today about the general regulatory environment in South Korea that we haven't discussed
24 already?

25 A I don't -- I don't think so. I think we've covered it. And then if we get to the data

1 leak, obviously there'll be more things to say.

2 Q As I said, I want to turn now to the recent incident involving a former Coupang
3 employee who stole the key and accessed certain customer information, as well as the response by
4 South Korean authorities.

5 As an initial matter, would you mind describing this incident in your own words?

6 A Yeah. So we had a former employee that, when he was employed with us, stole this
7 alphanumeric fallback key that he had helped develop and took it with him as he left the
8 company -- a Chinese national living in China.

9 The data that he had access to was name, address, email address, cell phone number, some
10 limited order history, and then a very limited set of building and lobby access codes.

11 We discovered that in late November. We immediately disclosed that to our regulators and
12 then also to our customers and made that public and began working with our regulators.

13 Before any of that investigative work was done, already, leaders in the country, like the
14 President and Prime Minister, prejudged what had occurred, said that it was the worst leak in the
15 history of Korea, without any of the facts being known at that point, saying that we needed to be put
16 out of business, or at least fear that the penalties, the regulatory penalties against us would be so
17 huge that we had to fear being put out of -- out of business.

18 At the same time, we were cooperating with the regulators. And then the NIS reached out
19 to us and asked us to make contact with this former employee to see if we could get the devices and
20 the data back. All of the regulators, understandably, were interested in that being an opportunity.
21 The NIS and other regulators talked about the "golden time" of being able to get that data back
22 before it's misused.

23 The NIS came to us. We had deep reservations, working with them, because the former
24 employee lived in China. So they provided us statutory authority that required us to comply with
25 them, which included sending one of our employees to China to engage with this former employee

1 against my -- you know, over my complaints and hesitations that I didn't think that was safe or
2 proper, but then told by our Korean counsel that we were required to do that under Korean law.

3 We sent them. We followed the directives of the NIS -- they were very detailed -- of
4 contacting, how -- you know, some of the language that we should use in our email contacts with
5 that individual, getting the confession from him; once we had the confession, looking at it and
6 sending us back to get his fingerprints on the confession; learning that he had thrown one of the
7 devices, a MacBook Air, into a river and telling us to hire divers to get the computer out, which was
8 something I was extremely opposed to -- in broad daylight, sending divers into a river in China on
9 behalf of the Korean security services. I was again told that we had to do it. We were told by the
10 Presidential Office that we had to follow what the NIS was asking us to do.

11 And we did that. It was -- shockingly to me, because I had never seen this be successful
12 before, it was successful. We got the devices. They found the computer in the river and pulled it
13 out.

14 We got the confession. We brought it all back to the NIS. We shared it with the police.
15 We shared it with the JIT, this joint investigation task force; with PIPC, the privacy regulator.

16 We were told by high-level authorities at the Blue House, the Presidential Office, that the
17 President was very pleased with the success and protecting the Korean people. And we provided all
18 that to him.

19 And then it was -- first, it was crickets, it was silence, and continuing to allow our customers
20 to believe that their data was out there and being misused and that financial data was out there and
21 that they were at risk.

22 We then felt it was our duty to our customers to let them know what had happened. Once
23 we did that, then that's when the lying began, the denials, denying that we had ever worked with the
24 NIS, people who had been involved directly and had been updated throughout the process coming
25 out and denying that they had ever instructed us to do anything, that they had ever worked with us

1 in detail; the National Assembly members telling me that I was lying, as I was setting this out, and
2 then referring me for perjury for doing that; being yelled at at the National Assembly; not being
3 allowed to bring in my American counsel, my U.S. counsel, into the National Assembly hearing; not
4 allowing the U.S. Embassy to send someone into the National Assembly hearing; not allowing me to
5 use my interpreter; telling my interpreter not to interpret my full answers; forcing me to use
6 interpreters that they provided who were not interpreting my answers fully nor accurately; yelling at
7 me, belittling me for being an American, making fun of me for not being able to speak Korean;
8 repeatedly cutting off my answers; giving me written answers, incriminating answers, that were not
9 true and trying to force me to read those, under perjury, in front of the National Assembly.

10 It was this -- you know, all of this occurred even though we had worked hand-in-glove with
11 the government, successfully, to do something that no other company operating in Korea, to my
12 knowledge, had ever been able to do. And instead of it being touted as this incredible, you know,
13 joint private-public partnership and success and a great, you know, success for the Korean people in
14 protecting their data so that no data was misused and they were not harmed, instead of that, we
15 were threatened; I was intimidated in the National Assembly. They tried to force me to not answer
16 their questions. And then when I wouldn't fall in line and give them the answers that they wanted
17 to hear, they then, you know, sent the police after me.

18 In one of the hearings, our former CEO wasn't there -- was not there for health reasons. The
19 chairwoman sent agents, police agents, to his house, knocking on his door, trying to force him to
20 appear at the National Assembly hearing while I was there. While I was sitting there, they were
21 sending police to his door.

22 Just things I have never seen -- not in the U.S., not in Europe. It's just -- it was not a normal
23 reaction. This is not how you react to a data leak. It was not how they reacted to SKT's data leak
24 or LG's data leak or any of the others that had occurred. We saw things and are living through
25 things that no company that I'm aware of has had to suffer through.

1 And it continues. I've been in two police interrogations. One, they held me until 2:30 in
2 the morning. The second one, they held me until 3:30 in the morning. And I'm told there are
3 more to come and that, because of political pressure, those will be sent up to the prosecutors with a
4 recommendation for indictment.

5 We have -- we have regulators, the working-level staff regulators in our offices, who have told
6 our employees, "There's nothing more for us to investigate. We haven't found any problems, but
7 we can't leave. If we do, we will be politically excoriated. And so we have to stay here. We will
8 be here again tomorrow. We have to do these investigations."

9 I have not seen anything like this in my full career of working with companies, including in
10 places where you may think something like this would happen, like a Bolivia or a Colombia -- nothing
11 against those countries. But it's just not something I would ever expect a company to go through.

12 Q Helpful.

13 I just want to quickly clarify something that was said last hour of questioning. When it
14 comes to the alphanumeric key that the employee used to access this information, that key was not
15 unique to that employee. Is that correct?

16 A That's correct. It was stored in an electronic vault, and he had access to that vault
17 because of his job. And so, accessed it through the vault, which is the set of security -- I don't know
18 exactly it works, but, you know, the security walls to keep people from having access to that. He
19 accessed it with -- you know, improperly, but he had the authority because of his job, and then, you
20 know, wrote it down and took it with him when he left.

21 Q And that's something he should've never had in his personal possession, written down,
22 and taken with him. Is that correct?

23 A That's right, not in his personal possession. He had the right, in his job, to access it and
24 to view it. But it's against our policies and illegal, frankly, to write it down and take it with him.

25 Q I just want to walk through the timeline of this incident a little bit, and then we'll get

1 into more in later detail.

2 But when did Coupang first discover this incident occurred? Do you happen to know the
3 date and, if you have the time, the time?

4 A So I believe it --

5 [REDACTED] I think we've got some documents on that that we've produced.

6 But you can try to reconstruct it. You might get something imprecise, but I know we've
7 produced a document there.

8 The Witness. Hang on.

9 Yeah, there's a memo that we provided. Let me see.

10 So I think, initially, November 6th to November 8th, he sent emails to Coupang.com, email
11 addresses -- so, clearly, you know, believing that he was sending it just internally to employees,
12 although that turned out not to be the case.

13 And then those were eventually forwarded to our information security team, I believe, on
14 November 16th. And then confirmed that there was a vulnerability and a leak on November 18th.
15 And then we disclosed that to the authorities on November 19th.

16 BY [REDACTED]:

17 Q Which Korean authorities did Coupang report the incident to?

18 A I believe we reported it to PIPC and to KISA.

19 Q Can you describe the initial response that Coupang received from these authorities?

20 A So the initial response would be something that I would consider very normal -- you
21 know, more or less cooperative and wanting to look at the information that was, sort of, in the first
22 day, but just probably within 24 hours after that occurring, of the later email -- initially, we only knew
23 that he had accessed 4,500, and then it was learned that he had accessed 33 million because of
24 additional information.

25 It was after that that then we saw a much different attitude, where they started, you know,

1 making public statements on things that hadn't been investigated yet. We started seeing these
2 prejudgments from, you know, not just the President and Prime Minister but members of the
3 National Assembly and others pretty rapidly begin to occur.

4 Q Following up on that, can you describe what you mean when you say that this former
5 employee "accessed" the information of 33 million individuals?

6 A Yes. So my understanding -- and obviously I'm not an expert on this -- is that he had
7 written an algorithm that went through -- so it's not that he took them or looked at them, but the
8 algorithm went through and basically counted them so that he could say the number, the total
9 number of accounts that he was able to gain access to.

10 And my understanding is that he downloaded about 3,000, around that, to be able to show
11 that he actually could get the data. And that was the 3,000 that he held and then later deleted
12 once this became a big public issue.

13 Q So, to the best of your knowledge, he only ever downloaded or retained around 3,000
14 individuals' information. Is that correct?

15 A That's right. That's what the current evidence shows.

16 Q So it's a bit like if you did a Google search and it returned 5 million inquiries but you
17 looked at 5 of them. That's kind of the -- you know, sure, you pulled and had a list of 5 million, but
18 you really only looked at or downloaded about 5 of them overall. Is that a good analogy?

19 A Yeah. Or maybe it's, you know, you do the Google search, and the front page, right,
20 has five, you know, results, and then you've got links to pages going beyond that that have additional
21 results, but you never click on those, you never actually put eyeballs on them, right? The first five
22 are the ones that you see and potentially download.

23 Q You've testified a little bit about this, but was any highly sensitive information accessed,
24 such as financial information, medical information, things of the like?

25 A No. We confirmed there was no -- no data like that in the leak.

1 Q How did Coupang determine what was retained and what was not by this former
2 employee?

3 A So it was a combination of the forensic work that was done by Mandiant and I believe
4 by Palo Alto Networks as well and then also the sworn statements that we received from the threat
5 actor, from the former employee.

6 Q The former employee that retained this information, you mentioned that he was a
7 Chinese national. Is that correct?

8 A Yes.

9 Q And that the former employee traveled to China after the breach with the information
10 he had retained. Is that correct?

11 A I believe he traveled to China after stealing the key. I believe the breach was done
12 while he was -- I think, while he was in China.

13 Q So, to the best of your knowledge, he took the key while in Korea, traveled to China, and
14 then accessed the information from China.

15 A Yeah, that's my best understanding.

16 Q So we talked a little bit about the South Korean National Intelligence Service. Will you
17 understand if I refer to them as "N-I-S" --

18 A Yes.

19 Q -- or "NIS"?

20 A Yep.

21 Q Did NIS ever contact Coupang about this incident?

22 A Yes. The NIS reached out to us shortly after the incident, I believe either the last day of
23 November or December 1st, asking for our cooperation.

24 Q Do you know which individual or individuals within NIS contacted Coupang?

25 A I do. I don't have the names in front of me, but we made a note of those names.

1 Q I would like to introduce into the record a translated sworn declaration of a Coupang
2 employee.

3 [Rogers Majority Exhibit No. 3
4 was marked for identification.]

5 BY [REDACTED]

6 Q In order to save myself the embarrassment, for the purposes of this deposition, we will
7 refer to this employee as "Arthur" and I will not try to pronounce his name.

8 Does that work for you all?

9 A Yes.

10 Q Are you familiar with this document?

11 [REDACTED] Can we just take a minute? I want to --

12 [REDACTED] Yep, absolutely.

13 [REDACTED] -- give him a chance to scroll through it.

14 The Reporter. Is that 3?

15 [Discussion off the record.]

16 [REDACTED] Yeah, this would be 3 for majority.

17 The Witness. Yeah. So, to answer your question, I'm familiar with this document. I've
18 seen it before.

19 BY [REDACTED]:

20 Q Generally, do you believe the contents of this sworn declaration to be accurate?

21 A Yes, that's my understanding.

22 Q Arthur, as he's called, served as the primary liaison between Coupang and NIS following
23 the incident. Is that correct?

24 A Yes.

25 Q Please turn with me, if you will, to page 7. It's got the Bates number 1076 at the

1 bottom.

2 A Okay.

3 Q Next to "2," it says, "On November 30, Coupang Representative Director Park Dae-jun
4 attended a joint government meeting chaired by Deputy Prime Minister Bae Kyung-hoon and
5 attended by National Intelligence Service Third Deputy Director Kim Chang-seop. RD Park Dae-jun
6 explained in this meeting that this was a case where the suspect had been identified and emphasized
7 the necessity of preventing secondary damage through recovery. The NIS Third Deputy Director
8 listened attentively to this. Immediately after the meeting, RD Park Dae-jun informed me that the
9 NIS might contact Coupang."

10 Do you see that language?

11 A Yes.

12 Q On November 30th, Park Dae-jun was the CEO of Coupang Corp. Is that correct?

13 A That is correct.

14 Q Did he attend a joint government meeting chaired by the Deputy Prime Minister and by
15 the Third Deputy Director of the National Intelligence Service on that day?

16 A Yes, that's my understanding. And I believe the meeting was public. I believe there's
17 news reports about it. He also, at that meeting, gave a public apology and bowed, which is very
18 customary in Korea.

19 Q So the purpose of this meeting was to discuss the data incident. Is that correct?

20 A Yes.

21 Q Do you know what all was discussed during this meeting?

22 A Just generally, that they discussed the issues of the data incident. Like I said, he
23 provided a formal apology for the incident occurring.

24 And then I know there were conversations -- at this time, once the regulators knew that this
25 was a former employee and so there was an opportunity to contact and potentially get the devices

1 back, my understanding is that all of the relevant regulators -- so the MST, the Ministry of Science
2 and Technology, who this Deputy Prime Minister is the head of, and PIPC and KISA and the
3 NIS -- were very interested in seeing if there were ways to get back those devices. And so I think
4 that was also a topic in the meeting.

5 Q So the Deputy Director of the National Intelligence Service and the Deputy Prime
6 Minister, to the best of your knowledge, were both receptive to the idea of retrieving the devices and
7 re-collecting this information?

8 A That's my understanding.

9 Q On the next page, marked with Bates number 1077, next to "3," it says, "On
10 December" -- sorry. Give me 2 seconds.

11 "On December 1, around 2:00 p.m., Director [REDACTED] un from the NIS called Coupang for
12 the first time. The NIS requested an in-person meeting in front of the company. By around 4:00
13 p.m. that same day, NIS officers arrived at Coupang's office, Tower 730. The visiting NIS officials
14 included [REDACTED], Director General of Investigation Bureau, and [REDACTED] Director of
15 Investigation Division. They introduced themselves formally and immediately positioned the
16 situation as a cooperative effort, focusing on recovering a suspect's device located in China."

17 Do you see that?

18 A Yes.

19 Q Did NIS call Coupang about the incident for the first time on December 1st, 2025?

20 A That's my understanding from the team.

21 Q To your knowledge, what was discussed during that call?

22 A I believe, as Arthur has set out, that the NIS was very interested in getting these devices
23 back and working with Coupang in order to retrieve them. I think there was also discussion about
24 the NIS couldn't operate in China and so were interested in Coupang doing that for them since they
25 were unable to do it.

1 Q During the in-person meeting later that day, who did the officials from NIS meet with at
2 Coupang?

3 A So my understanding is they -- in this one, I believe they just met with Arthur.

4 Q Did the NIS officials indicate that there would be a cooperative effort between NIS and
5 Coupang to recover the former employee's devices from China?

6 A Yes. They told us that they were part of the joint government investigation, that we
7 should work with them, and that we were legally required to do so. We then asked for written
8 proof of that, given the fact that the police had told us to not make any efforts to contact the
9 individual.

10 We raised those concerns with the NIS. The NIS told us not to worry, they were part of the
11 joint government investigation, they would be coordinating with the police and would take care of
12 that, we didn't need to worry about that, what we needed to do was comply with the directives that
13 they were providing us.

14 Q So Coupang understood this as being a direction to work with NIS to recover the device.
15 Is that correct?

16 A Yes.

17 Q And they believed they had a -- were told that they had a legal obligation to do so?

18 A Yes. And then they provided that to us in writing, and we independently went to two
19 different Korean law firms -- one, Kim & Chang, the largest law firm in Korea; Shin & Kim, the other
20 one -- and received independent legal advice from the two of them that, under Korean statutes, we
21 were required to comply with the NIS.

22 Q I'd like to introduce exhibit -- it would be 4 for us.

23 [Rogers Majority Exhibit No. 4

24 was marked for identification.]

25 [REDACTED]. If we could have a minute, please.

1 [REDACTED] Absolutely.

2 [REDACTED] We're ready.

3 BY [REDACTED]

4 Q This is a letter and a translation of the letter from NIS to Coupang, dated December 2nd,
5 2025.

6 Do you recognize this letter?

7 A Yes.

8 Q Is this the letter you were referring to in which the NIS memorialized their request or, as
9 you've said, their instruction for Coupang to work with NIS on the recovery of their device?

10 A Yes. That's correct.

11 Q On page 3 of this letter, with the Bates number 882, it says, towards the middle of the
12 page, "Relevant Legal Basis" and cites four different sections of the National Intelligence Service
13 Korea Act and one section of the Basic Guidelines for National Crisis Management.

14 Do you see that?

15 A Yes.

16 Q Below the "National Intelligence Service" -- below that, it says, "The National
17 Intelligence Service (including the National Cyber Crisis Management Group), as part of a coordinated
18 government response, request the submission of relevant materials for cause analysis and response
19 measures. We ask for your cooperation in this matter. End of Document."

20 Do you see that?

21 A Yes.

22 Q Did NIS send this letter to Coupang on December 2nd, 2025?

23 A Yeah, that's my understanding. They actually faxed it to us, which -- I didn't realize
24 that we even had a fax machine, but I guess that's how they -- how they send documents.

25 Q And, as you said, Coupang viewed this letter as a response to its request from the

1 previous day for an official document indicating NIS's direction that Coupang had an obligation to
2 help NIS with its recovery of the former employee's devices. Is that correct?

3 A Yes.

4 Q Did Coupang believe that it had a legal obligation to comply with NIS's request?

5 A Yes. My understanding, like I said, is that our Korean legal department sent this to two
6 different Korean law firms. The fact that the NIS quoted the legal statute in the letter that they
7 were sending under their official chop, or their official stamp, was understood by the Korean
8 attorneys to mean that, under this relevant statute, we had to comply with the directives that they
9 provided to us unless -- I believe the language is, unless there's just cause not to.

10 But it was the view of our law firms that we did not fit that statutory definition of "just cause"
11 and that it's a very narrow exception.

12 Q And, as you indicated, in previous interactions with the NIS, they explicitly said that you
13 had a legal obligation to comply with their request. Is that correct?

14 A That's correct.

15 Q All right.

16 I would like to turn back to the sworn declaration that is exhibit 3 that we were previously
17 looking at.

18 On page 1079, next to "6," it says, "That evening between 7:00 and 8:00 p.m., Coupang met
19 with the NIS. Coupang promised to cooperate with the NIS and provided basic information about
20 the suspect. The NIS said that all future cooperation and communication would be conducted
21 solely via phone calls and face-to-face meetings, and that no written records, including text
22 messages, should be used. They also emphasized the need for strict confidentiality. Director of
23 Investigative Division [REDACTED] and Investigator [REDACTED] attended this meeting."

24 Do you see that?

25 A Yes.

1 Q Did representatives from Coupang meet with NIS and its directors on December 2nd?

2 A Yes, that's my understanding. I believe it was Arthur and either one or two of our
3 attorneys.

4 Q Did Coupang agree to cooperate with NIS's investigation?

5 A Yes. Once we had received the written document from them with the statutory basis
6 and had received the advice from the Korean law firms that, under Korean statute, we, you know,
7 had to comply with their requests, we then agreed to do so.

8 We also understood that they wanted complete confidentiality for the work that we were
9 doing with them, that they would engage with the other regulators on our behalf to let them know
10 what was happening, but that they would not be communicating to us in anything in writing after this
11 one letter that they provided to us, but that everything would be via phone calls and face-to-face
12 meeting.

13 And my understanding is, over the course of 20 days that we did this joint work together,
14 there were more than -- or somewhere around 230 phone calls between Arthur and the NIS agents
15 and multiple in-person meetings, both in Korea and then a couple in China.

16 Q On the following page, Bates number 180, next to "7," it says, "On December 5,
17 between 2:00 and 4:00 p.m., Coupang and the NIS held a meeting on the technical aspects of the
18 hacker's attack patterns. Through the meeting, the attendees became aware that the amount of
19 personal information the suspect actually leaked might not be as much as known previously."

20 Do you see that?

21 A Yes.

22 Q Is this an accurate reflection of a meeting that was held on December 5th, 2025,
23 between representatives from Coupang and NIS?

24 A To the best of my knowledge, yes.

25 Q So, on December 5th, NIS became aware that the scope of the data leak may not be as

1 great as it had previously been suspected?

2 A Yes. Correct.

3 Q Did they do anything at that point to correct misconceptions that were in the public
4 media about the scope of this data leak?

5 A No, they did not, nor did the JIT, PIPC, KISA, or members of the National Assembly, who
6 continued to let people believe that it was far larger and far more dangerous than it actually was.

7 Q Thank you very much.

8 Further down the page, next to "8," it says, "Around 11:00 p.m. on December 6, the suspect
9 posted a message in a WeChat chatroom used by our Chinese employees. Coupang immediately
10 reported this situation to the NIS. The NIS advised Coupang's Korea's legal team to contact the
11 suspect directly, even suggesting specific content and tone for the email to be sent.
12 Simultaneously, the NIS requested that Coupang not disclose the matter to any other government
13 agencies, including the police."

14 Do you see that?

15 A Yes.

16 Q Is that an accurate reflection of the meeting that was held on December 6th between
17 representatives from Coupang and NIS?

18 A That's my understanding.

19 Q Did NIS advise Coupang's legal team on how to contact Coupang's former employee?

20 A Yes, that's my understanding, is that they suggested language and tone and different
21 ways to approach the suspect in order to get his cooperation.

22 Q In addition, NIS requested that Coupang not disclose this matter to any other
23 government agencies, including the police. Is that correct?

24 A That's correct.

25 Q Did Coupang believe that it was under a legal obligation to comply with NIS's request

1 not to contact the police and keep this confidential, for the reasons we've previously discussed?

2 A Yes. We believed that, if we were to share that, we would be violating Korean law if
3 we didn't keep it confidential at the time.

4 We were also under the understanding that they were coordinating with the government
5 officials. And based on communications that we were having with the Presidential Office, we knew
6 that they were at least keeping the Presidential Office informed as to what was happening.

7 Q NIS met with and talked with Coupang numerous times over the following weeks. Is
8 that correct?

9 A Yes.

10 Q NIS and Coupang communicated with each other on December 9th, 10th, 11th, 13th,
11 14th, 15th, 16th, 17th, 18th, 19th, and 20th. Is that correct?

12 A I believe that's -- I believe that's correct.

13 Q These communications included dozens of phone calls, emails, and in-person meetings.
14 Is that correct?

15 A That is correct.

16 Q Do you know approximately how many phone calls occurred overall between Coupang
17 and NIS?

18 A So I believe, in the 20 days, it was around 230 phone calls.

19 Q Do you know approximately how many messages or emails were sent between Coupang
20 and NIS during this period?

21 A I'm not aware of -- yeah, I'm not aware of any emails sent between us.

22 Q On December 9th, Coupang Korea's legal team sent a message to the former employee
23 proposing a meeting. Is that correct?

24 A Yes.

25 Q On December 10th, NIS suggested that Coupang's legal team send a message to the

1 suspect again, this time recommending that the message include the response deadline. Is that
2 correct?

3 A Yeah. They were getting worried -- my recollection is, they were getting worried that
4 the former employee wasn't responding, and so they suggested -- and I believe they said something
5 like, in cases like this where they were reaching out to suspects, if you give them a deadline, you
6 know, that they feel like they're forced to comply with, a greater success in getting a response. So
7 they advised us and told us -- instructed us to do that.

8 My understanding is, the team then did that and sent that chat to them -- to the former
9 employee.

1 [2:07 p.m.]

2 BY [REDACTED]:

3 Q And during this discussion with NIS on December 10th, NIS specifically asked Coupang
4 not to inform the police of these communications once again. Is that correct?

5 A Yes.

6 Q NIS also indicated that it could not contact the suspect directly, so it would be engaging
7 by advising Coupang on what to do. Is that correct?

8 A That's correct.

9 Q And it advised Coupang at a very specific level, down to the details of what to say and
10 who to contact. Is that correct?

11 A Yes.

12 [REDACTED] I think we can --

13 [REDACTED] Yeah, we're at the hour.

14 [REDACTED] We can go off the record.

15 [Recess.]

16 [REDACTED] So we're going to go back on the record again. It is, let's see, 2:37.

17 [REDACTED] 2:27?

18 [REDACTED] Twenty-seven. There we go. Thanks for giving me back my 10 minutes.

19 BY [REDACTED]

20 Q So I want to start up with some of the information that was revisited during the last
21 hour in terms of the hack. Just wanted to confirm that the hacker had access to over 33 million
22 accounts between April and November. Is that correct?

23 A I don't know if he had access to them all the way back to April, but I think it -- anyway,
24 during that timeframe, there was at some point access to 33 million.

25 Q So during that window generally, or not, there was --

1 A Yeah. So during that window, I know that he was making incursions with this fallback
2 key that he had stolen. And so, yes, at some point during that window, he was able to access
3 around 33 million customer accounts.

4 Q Okay, great. Reporting suggests that the Korean public-private probe found that the
5 former employee was able to view the user data over 148 times over that period -- 148 million times
6 during that period. Is that correct?

7 A So my understanding is that's in the GIT report. The finding is that he was -- that was
8 the number of times that he pinged the sites that had that data. I don't think there's any evidence
9 that that was actual access or viewed at the time, which I believe became a very confusing point for
10 the GIT, to try to explain that to the media.

11 Q Okay. We're going to introduce into the record, it would be exhibit D -- C. Okay,
12 great.

13 [Rogers Minority Exhibit C

14 was marked for identification.]

15 BY [REDACTED]

16 Q And so this is from KBS WORLD, an article written on the 10th of February 2026,
17 entitled, "Joint Team Finds Data from over 33 Million Users Compromised in Coupang's Data Breach."
18 And I would just direct our collective attention to the second page where it talked about the suspect
19 allegedly accessed certain information, including users' names, phone numbers, et cetera,
20 approximately 148 million times, including personal information belonging to family members and
21 friends of account holders.

22 Does that ring true for you?

23 A No, I don't believe this is accurate. I don't believe this is accurate reporting of even the
24 GIT's report --

25 Q Okay.

1 A -- which itself was confusing. My understanding is the 148 million was the time that
2 his algorithm pinged the various sites. It's not accessing or viewing or anything like that.

3 Also, the building pass codes are not included even in that number. I believe the total pings
4 to building access codes was something around 50,000, and we -- the total number of access codes,
5 though they were careful not to include this in their report even though they knew it was the fact,
6 the total number of building entrance codes to lobbies was 2,609 only.

7 Q Okay. And --

8 A Sorry. It's also not 33 million users' names and addresses, et cetera. It's 33 million
9 customer accounts, but my understanding is that includes duplications of various individuals.

10 Q Okay. Thank you.

11 The individual in question didn't just view that Coupang accounts, but he also extracted
12 information. Is that correct?

13 A So our understanding is he extracted information for around 3,000 accounts.

14 Q Okay. There's already been discussion about the manner in which he was able to
15 access the system. Do you believe that the security protocols were adequate?

16 A No. I mean, anytime that there -- something like this happens, I wouldn't say they
17 were adequate. We've had Palo Alto Networks look at it, and their view was that our systems, you
18 know, met global standards with the ISOs that we had qualified for and that we were following.

19 I believe PWC has looked at it and doesn't view that any of our controls were circumvented,
20 that we needed to have in place. But, clearly, even though this person's a criminal that I hope
21 Korea actually follows through and goes after and tries to prosecute him, you know, even like a bank
22 where, you know, an employee is able to steal money from the bank, you know, those things happen,
23 and you always want to improve your security. And so mere days after we found out about this, the
24 access that he was able to get was completely closed off so it couldn't happen again.

25 We further strengthened our security after that, and we have Mandiant and Palo Alto

1 Networks helping us to increase our security even more to make sure that something like this can
2 never happen again.

3 Q So you've mentioned Mandiant and Palo Alto, and I know from press reports that there
4 was also Ernst & Young. We discussed this in the prior hour in terms of these were outside reports
5 that are being generated.

6 It's my understanding that you said that they were interim reports, and then [REDACTED]
7 generously offered to provide them to us once they're complete. So I just want to state
8 affirmatively -- or restate that we welcome and we look forward to receiving them when they're
9 ready.

10 A Yeah. And I'll commit on the record that we will provide those to you.

11 Q Great. Thank you so much.

12 We have the 33 million number out there, and so on February 5th, it was reported that
13 Coupang had identified a number, 165,000 leaked accounts. Is that correct?

14 A That's correct.

15 Q Okay. You know, were U.S. citizens among the 33 million accounts or -- and the 3,000
16 accounts?

17 A Yes, my understanding is that they were. For instance, the information for my account
18 is included in the 33 million.

19 Q Okay. Why were these 165,000 identified later than the original counts of the
20 100- and -- the 33 million accounts? Excuse me. Let me say that --

21 A Yeah.

22 Q -- so you can actually understand it.

23 Why were these 165,000 accounts identified later than the original tranche of 33 million
24 accounts?

25 A Yeah. Through -- through the course of the continuing investigation, we have

1 continually pushed, mainly Mandiant, who's sort of taken the front of this, but also Palo Alto
2 Networks, to do as intensive as -- of an investigation as possible. In the process of that work, the
3 team identified a data log that they previously were not aware of -- well, I mean, they were aware of
4 it, but not aware that it had relevant information to it. Once they identified that log, they ran an
5 analysis and found these additional 165,000 accounts. That's not the -- that's independent of the
6 3,000. That doesn't increase the 3,000 number. It fits within the 33 million.

7 So the number still does not exceed 33 million, but that was an additional number that was
8 found in these newly identified -- what's called an application log.

9 Q Right. Before Coupang realized it hadn't accounted for that number, had the
10 independent firm concluded that it had identified all the independent -- all the leaked accounts?

11 A I would have to look back. I don't believe so.

12 Q Okay.

13 A Mandiant has been careful to say, you know, the investigation is ongoing and these are
14 the results thus far.

15 We issued a press release on the results of the investigation to date on December 25th, made
16 clear in that announcement that these were the results of the investigation to date but that the
17 investigation was continuing.

18 And we've committed to our customers and to our regulators that as we discover more
19 information, like the 165-, that we will share that, you know, on a very timely basis --

20 Q Right.

21 A -- with both regulators and the public.

22 Q And, you know, I believe during our discu- -- the discussion today, you sort of talked
23 about how no financial data leaked and could not have done so, and those were sort of pretty firm
24 and decisive statements.

25 How does that comport with the fact that the investigation is ongoing and you're continuing

1 to learn things as evinced by, among other things, the 165,000?

2 A Yeah. So certain things that we've been able to confirm, for instance, the way he -- the
3 way the former employee accessed our systems has been confirmed. And with the way that he
4 accessed those systems, there was no ability using this fallback key -- my understanding -- obviously
5 I'm not a technical expert, but my understanding is, with the fallback key that he had, there was no
6 ability for him to access the financial data, that it was housed in a separate area.

7 And my understanding is that the FSS, within days, confirmed this independently as well.
8 And even though they confirmed that by, you know, early December, still the regulatory authorities
9 were talking about the possibility of financial data having been leaked and being problematic, even
10 though the FSS itself had confirmed that there had been no intrusion into our -- into our databases
11 that housed their financial data.

12 Q Did anybody besides the former employee gain access to these accounts -- unauthorized
13 access to these accounts?

14 A Not that we're aware of. There's no evidence that anyone but this one individual
15 accessed.

16 Q Could they have?

17 And not just the accounts. Did anybody, besides the ex-employee, gain access to not just
18 accounts but the data in these accounts?

19 A So my understanding is the attack vector that he used could be used by individuals that
20 have the fallback key. That fallback key was kept in a electronic vault and was only accessible by a
21 handful of employees. He was one of those.

22 So of the total number of individuals that could access it in this way, it's him and this handful
23 of employees who are currently employed in Coupang. My understanding is there's no evidence
24 that it was accessed by anybody except for this single individual.

25 Q Right. But we're looking at the issue about the data --

1 A Yeah.

2 Q -- and whether or not the data in the account could be accessed by others. We know
3 that we're finding additional data that was accessed that had not been appreciated previously as the
4 investigation continues to unfold.

5 But, you know, I'm asking about, does anybody have access to the data, besides --

6 A Yeah.

7 Q -- that ex-employee?

8 A I guess I'm not -- maybe I'm not fully understanding the question. Do you mean, do
9 people within Coupang have access to it, or do you mean --

10 Q No. I apol- -- let me clarify.

11 A Yeah.

12 Q Do people that are unauthorized -- obviously I'm not talking about the --

13 A Gotcha.

14 Q -- employees of Coupang.

15 A Yeah.

16 Q It goes back to something we discussed before in terms of to what extent will -- is this
17 data available on the black market or, you know, still available to others? And how is it that you
18 know that it is not or could not be?

19 A Yeah. So -- got it. So my understanding is the evidence to date does not indicate that
20 anybody but this one individual had or -- has or had access to the data at any time outside the
21 company. And the evidence that points to that is a couple. One is, we, PIPC, the police, have
22 done investigations and monitored dark web and other places and have not found this data out
23 there.

24 In addition, we were able to obtain from the threat actor all of the devices that he
25 used -- personal devices that he used to do the attack. And so because of that, my understanding is

1 the evidence indicates that no one else has ever had access to this data aside from the individual.

2 Q Okay. So he is the only person --

3 [REDACTED] One moment.

4 [Discussion off the record.]

5 The Witness. Sorry. Go ahead.

6 BY [REDACTED]

7 Q So is it your understanding that he is the only person who has seen this data illegally?

8 A That's my understanding based on the work both by the government regulators and by
9 Mandiant and Palo Alto Networks.

10 Q In terms of the ongoing effects, or potential effects, associated with the data breach, I'd
11 like to enter in exhibit -- what are we at -- D.

12 [Rogers Minority Exhibit D

13 was marked for identification.]

14 BY [REDACTED]

15 Q This is an article dated February 23rd, 2026, and it is titled, "Civic groups urge probe of
16 unauthorized payments potentially linked to Coupang breach." And they are asking investigation of
17 police to the unauthorized payments potentially linked to this data breach.

18 Do you have any reaction to this? Is this something about which you were aware?

19 A I'm not aware of this one specifically, but generally organizations like this have been
20 making these allegations since from the beginning.

21 In each of these cases, we've worked with the police and investigated them and confirmed
22 that these are completely unrelated to the data leak.

23 These are organizations that have no access to the information that we're talking about.
24 They don't work with the regulators. They don't know that the financial databases were never
25 accessed.

1 And, in fact, to me, this is an indication of the continuing misleading information that is out
2 there, where, if the government would share with the public that the financial databases of Coupang
3 were never accessed -- and they have, you know, confirmed that through their own regulator that
4 they haven't been accessed -- then wild allegations like this would cease to be made and people
5 wouldn't have to worry.

6 And every time an article like this is published, our customers read it and are worried once
7 again that their financial data is being leaked, which is one of the reasons why these allegations are
8 made, is to scare our customers, when we know this is not true, and the government knows this is
9 not true -- the regulator knows this is not true, and yet they will not clarify.

10 You see no comment from the government saying this isn't true. They allow these rumors
11 and false allegations to continue to perpetuate up until today.

12 Q And it's your contention that these false allegations or this misinformation from the
13 government is wrong?

14 A Yeah. And -- and I believe it's intentional for them to scare our customers. One
15 of -- at one of my National Assembly hearings, one of the representatives used his time to
16 demonstrate how you cancel your Coupang membership, encouraged everybody to cancel their
17 Coupang membership, and instead join Naver and buy their products from Naver.

18 It's -- I mean, this is a calculated effort, a discriminatory effort against an American company
19 to try to run us out of business and move that business over to companies like Naver and our other
20 Korean competitors. And it continues.

21 Just today, a National Assemblyman made a public statement about the fact that millions of
22 customers' apartment code numbers were leaked, which he knows is not true. They were entry
23 access to lobbies in buildings, and it was less than 3,000. They know that, they've seen that in their
24 own regulatory reports, and yet they continue to spread this misinformation to scare people and to
25 try to drive customers to our Korean competitors.

1 Q And they're driving them because -- so you have two pieces to that, one of which is the
2 intentional scaring --

3 A Yeah.

4 Q -- by the government. And then the second thing is that they're trying to -- how would
5 you describe it -- they're driving it to favored competitors? Competitors favored by the
6 government? Why would the government do that? Who are they driving them to?

7 A They're driving them to Korean companies or Chinese companies that are in lucrative
8 joint ventures with Korean companies. So AliExpress, for instance, has a JV with one of the largest
9 Korean conglomerates, a very, very lucrative JV for that Korean conglomerate.

10 Naver is a Korean company. It is not an American company. Just like they drove Ford out
11 of the country, just like they drove Walmart out of the country, they are working to drive customers
12 away from an American company and drive them to a Korean company, a Korean competitor.

13 Q Okay. So they're driving them to favored companies?

14 A Yes.

15 Q Companies that are in some way favored by the government?

16 A Yeah, favored because they are Korean companies.

17 Q Okay. Right. Is Coupang currently in any joint ventures with the
18 government -- Korean Government?

19 A With the government? We may be in a small AI joint venture. One of our
20 subsidiaries may be.

21 Q When did you enter into that?

22 A I'm not a hundred percent sure that I'm accurate. I would need to go back and look
23 that up.

24 Q Okay. Thank you.

25 And then --

1 A Sorry, but we aren't in any joint ventures with Korean companies. So, for instance,
2 Chevron operates in Korea in a 50/50 joint venture with a Korean company. Delta Airlines operates
3 in Korea in a joint venture with Korean Airlines. That's one of the ways that American companies
4 have been allowed to compete in Korea, if they enter into a lucrative joint venture with a large
5 Korean company. We have not done that. We have stood independent as an independent
6 American company.

7 Q But it's your understanding that you, in fact, may be, or are, in a joint venture with the
8 Korean Government?

9 A We may -- no, it wouldn't be -- I don't think it would be a joint venture. We may have
10 an AI deal with them.

11 It is AI. Yeah, so, sorry. [REDACTED] shared with me some of the information. So, yeah, I am
12 remembering that right, that we entered into a JV, in a AI sovereign fund to help them finance local
13 AI initiatives --

14 Q And when was that?

15 A -- in the country.

16 That was -- it was just recently.

17 [REDACTED] 2025.

18 The Witness. Yeah.

19 BY [REDACTED]

20 Q When in 2025?

21 A September of 2025.

22 Q So September of 2025, the Korean Government entered into a joint venture with you?

23 A Yeah, a very small --

24 Q Okay.

25 A -- joint venture. It was really an effort for us to try and get the Korean Government to

1 treat us fairly. Our view being, if they felt more invested in Coupang, that maybe we would get a
2 fair reception from them. It obviously failed.

3 Q Okay. Coupang's former CEO, Park, resigned and said, I feel a deep sense of
4 responsibility -- I'm quoting -- for the outbreak and the subsequent recovery process, and I've
5 decided to step down from all positions, close quote.

6 Can you just explain to us what is the responsibility about which he spoke and about the
7 recovery process that he has taken responsibility for?

8 A When this happened, he began receiving personal attacks and scrutiny. He called us
9 up. The first time -- you know, I've known DJ for over 6 years. First time I've ever seen him this
10 way, he called us up, shaken and crying, with the pressure that he was receiving and the criminal
11 threats and others that he was receiving, and it was in that light where he told us that he had
12 to -- that he had to resign his position because of the political pressure that he was under.

13 BY [REDACTED]

14 Q So as the administrative officer, you said that you -- part of your responsibilities was
15 essentially as a human resources agent, right?

16 A Yeah.

17 Q And has the Ministry of Employment and Labor investigated Coupang for any instances
18 or any issues prior to this leak?

19 A Yes.

20 Q Could you tell us about some?

21 A We're constantly under investigation from MOEL for anything ranging from, you know,
22 labor conditions to hours to, you know, safety and, you know, all of the regulations that go into
23 running a large employment.

24 Q Have there been inspections of your facilities?

25 A Hundreds. Every year.

1 Q Has the National Assembly ever interrogated your -- any issues related to labor by
2 Coupang?

3 A Yes, constantly. We get called up, I think, at least annually or more to answer
4 questions in front of the National Assembly on labor issues specifically.

5 Q Has a special prosecutor investigated any labor-related matters related to Coupang?

6 A Yes. We currently -- there's a special prosecution currently looking into an issue of
7 severance payment to temporary workers.

8 Q Got it. Has Coupang ever, on a labor or employment matter, ever taken responsibility
9 or apologized for any of the issues that we've discussed having been investigated by the
10 Korean Government?

11 A Yes, numerous times.

12 Q Could you give me an example of a time where Coupang has taken responsibility or
13 apologized for a labor issue?

14 A Possibly the most well known is we had an employee several years ago who passed
15 away at home from a heart attack. It was later ruled to be a work-related death, which is a -- it's a
16 legal structure that's not in the U.S. It's work-related even though he didn't die on the job, and it
17 was nothing related to his work, but it's how the statute is --

18 Q Got it.

19 A -- is created.

20 Q And so returning to, I believe it was our exhibit A -- or actually it's exhibit B. It's the
21 chart that you all produced to us. And I'm specifically looking at line 12 related to the special
22 prosecutor.

23 And so I'll read out what the chart says next to Special Prosecutor. "Search and seizure for
24 investigation of abuse of authority and obstruction of rights related to involving undue influence over
25 non-prosecution decisions related to CFS severance pay case."

1 I believe CFS stands for Coupang Fulfillment Services?

2 A Correct.

3 Q And you say this is unrelated to the incident?

4 A Yes.

5 Q I am going to introduce what I believe is exhibit E.

6 [Rogers Minority Exhibit E
7 was marked for identification.]

8 The Witness. Yeah.

9 BY [REDACTED]

10 Q Okay. So this is an article from this place called daily weby, and it says, Can't you trust
11 the pros- -- this is the title -- "Can't you trust the prosecution anymore? Ministry of Justice entrusts
12 permanent special investigation into, quote, 'suspicion of external pressure on Coupang severance
13 pay and loss of official badges'", end quote.

14 This article is dated October 25th, 2025.

15 A Yeah.

16 Q Coupang's data leak was not known to the Korean Government until November of 2025.

17 A Correct.

18 Q So this investigation by a special prosecutor into the matters described in this
19 spreadsheet actually predates the Korean Government's knowledge of the leak. Is that correct?

20 A The initiation but not the raid. And this is actually a perfect example of what I'm
21 talking about. So this is an issue where we changed our severance payment for our temporary
22 workers under the law. There were complaints by labor organizations. Completely fair. They
23 were raised to MOEL, I think, 77 times.

24 Q And when was that raised?

25 A These were over the last several years.

1 Q Got it. Long time before the leak?

2 A Long time before the leak. All of them were dismissed by the labor ministry. As we
3 were following the law, there was no issue.

4 One was raised to the prosecutors. That was also, they determined, no prosecution, there's
5 no violation of the law. For political reasons that I can get into, the prosecutor at the top of this,
6 who's actually the one being investigated -- it's not Coupang initially that was being investigated.
7 It's the chief prosecutor, the same prosecutor who successfully prosecuted and convicted the current
8 sitting President. This came up in the President pushing for retribution to a political enemy.

9 It was only after the data leak that the focus then turned from the prosecutor onto the
10 company. The original allegations of malfeasance were that the prosecutor had done something
11 incorrectly and that a lawyer associated with the prosecutor.

12 Once this data leak became an issue and there was directive from the President and the
13 Prime Minister to go after Coupang in any and every way possible, all of a sudden we were raided by
14 this prosecutor for this issue, when our understanding before that is the only people that they would
15 be investigating was the actual prosecutorial office where they thought the supposed alleged
16 malfeasance had occurred.

17 But once the leak happened, then all of a sudden they showed up one day at our offices and
18 started seizing documents and, in fact, have indicted two of our executives over this issue.

19 Q Were they indicted over the underlying severance issue or an issue related to the special
20 prosecutor's investigation of the equivalent --

21 A They were indicted over the underlying severance issue which was summarily dismissed
22 over 77 times by the labor ministry before our data leak. The same issue that the labor ministry has
23 looked at over 70 times, that a prosecutor's looked at as well closely and determined was not a
24 violation of law, they have now been indicted on.

25 Q Got it.

1 A Which I have never seen something like that happen in the U.S. All of these agencies
2 looked at it closely and determined no violation of law. All of a sudden there's a data leak, and
3 magically those two things become a violation of law, and two of our executives are personally
4 indicted.

5 One of them is currently under a travel ban. His family lives in Australia. He has not been
6 allowed to visit his family in Australia for the last several months over the data leak.

7 There's a good chance they will serve prison time for something that all of our law firms, the
8 Ministry of Labor, and the prosecutors all determined was fully compliant with the law, and now
9 they've been indicted.

10 Q Why do you say that there's a good chance he'll serve prison time?

11 A Because he's been indicted, and in Korea, the successful prosecution is over 90 percent.

12 Q Got it. And the fact that these charges have been dismissed many times over won't be
13 raised to the judge in the case?

14 A Well, we'll raise them, but --

15 Q Okay.

16 A -- prosecutors win over 90 percent of the time.

17 Q Okay.

18 A The fact that we have to raise them in front of a judge is outrageous in and of itself, that
19 these guys' freedom are being threatened is outrageous in and of itself, in my view.

20 BY [REDACTED]:

21 Q So the threatening of freedom is also something that you're taking obvious offense to?

22 A Yeah. I think if you're threatening to be jailed for things that are not illegal, I would
23 hope as an American we would take issue with that.

24 Q Right. You mentioned the incident that you talked about was someone who had a
25 heart attack, but it was linked to the employment.

1 A Yes.

2 Q But it was not sort of during work or something?

3 A That's right. He was at home.

4 Q Okay. Understood. Has anybody been injured in the course of working for Coupang?

5 A Yes, of course. We employ 90,000 people, so there's injuries. However, by
6 Ministry of Labor's own statistics, ours is -- our injury rate is below the industry average and one of
7 the best in the industry. Our worker fatality rate is the lowest in the logistics industry and is the
8 lowest for any logistics company in the world.

9 Q Okay.

10 A In our entire 15-year history, I think we have two or maybe three work-related fatalities.

11 Q You said how many?

12 A Two to three.

13 Q Okay. One of those, I believe, fatalities might have been associated with the Chilgok
14 logistics center. I may be mispronouncing --

15 A Yeah, it may be the Chilgok.

16 Q Yes.

17 A Yeah.

18 Q -- logistics center where it's our understanding one of the workers died after finishing a
19 night shift in October.

20 And then there was a controversy associated -- or there was an issue associated with CCTV
21 footage at that center. Can you explain to us that?

22 A So the issue around the CCTV is the same individual who unfortunately passed away
23 several years ago. The question there was whether -- the allegation that was raised by a former
24 employee, who we terminated for workplace harassment and also for improperly accessing
25 employees' emails, has been suing the company for several years. He just finally lost his last -- he's

1 lost all of his lawsuits against us. He lost the last one just a couple weeks ago before the
2 Supreme Court.

3 He raised these allegations, and the allegation is that we were viewing CCTV footage of this
4 individual's work to cover up his death. The allegation doesn't make sense because we provided
5 that CCTV to the Ministry of Labor at their request, and they made the finding that it was a
6 work-related death. So there is no coverup to allege. So in my view, the allegations don't make a
7 lot of sense.

8 Q Okay. Did you send an email telling someone to emphasize that work is not physically
9 demanding?

10 A So we've never been given an opportunity to authenticate those documents. I don't
11 recall writing that email. It was several -- it was 5 years ago. I wasn't involved directly in this.
12 This was a -- going back to my role as the chief administrative officer. My HR role is on the
13 corporate side, so for the corporate workforce.

14 These are frontline workers, and so that HR never rolled up to me. I wasn't directly involved
15 in that issue. I don't think I would've been writing emails on it. But this was our former CISO who,
16 you know, had often bragged about being able to falsify documents or whatnot.

17 I have no idea whether he did or not. No one's given us the opportunity to -- we've never
18 actually been provided that document by anybody. We requested the government to give us a
19 copy of the document -- we haven't been able to find it in our records. We requested the
20 government, the National Assembly who used it and put it up from front of me at the
21 National Assembly hearing, we asked them to provide it to us. They refused.

22 So we've never actually been able to see the whole document. We have images taken from
23 media sources. So I have no idea about it.

24 BY [REDACTED]

25 Q So can I clarify then, you say that this email was in some way falsified, right?

1 A I don't know. That's the point, I don't know. We haven't --

2 Q Got it.

3 A -- cannot find it on our servers. It doesn't exist on our servers, and the government
4 has refused to provide us a copy of it.

5 Q Has Coupang maintained to any judge or adjudicative body that it's possible that these
6 emails presented against you have been falsified?

7 A No. This is an issue that they raised. So as part of his lawsuit, he provided a bunch of
8 documents. We never knew whether they were -- this -- so, you know, this is a legal proceeding
9 pursuant to the equivalent of like a motion to dismiss.

10 And the truthfulness of the documents is taken as assumed, right? You assume that the
11 evidence that he's provided is true, and if the evidence is true, can he prevail under the law? He
12 lost at that stage at every point.

13 So the issue of the authentication of those documents never came up as an issue, and we
14 never challenged them because it never reached that point in the legal proceeding where we would
15 challenge them.

16 If it had, if he had won, if he had survived a motion to dismiss, which he did not, we would
17 have then questioned the authenticity because we were never able to find the document. But it
18 never proceeded to that point in the legal process.

19 I was not allowed to provide that answer, by the way, to the National Assembly. They cut
20 me off and yelled at me to stop talking --

21 Q Okay.

22 A -- and did not allow me to give the explanation that you guys have provided me.

23 Q Got it. And did Bom Kim ever send a text that said, quote, make sure there is no
24 record showing that he worked hard, end quote?

25 A I have no idea if he did or not. I would be surprised if he did, but these were

1 screenshots that were put up that no one has authenticated. I have no idea if they're accurate or
2 not.

3 Q And these are -- again, same question as before. Are these claims that you have had
4 the chance to tell a judge or adjudicative body?

5 A No. It's the same thing. They were supplied by this former employee who was suing
6 the company, and we won at every stage, basically the equivalent of the motion to dismiss. So the
7 authentication of the documents never became an issue.

8 Q And if Coupang believes that these documents might be falsified, has Coupang brought
9 that up to any law enforcement?

10 A Yes. Many times. I have personally in my police interrogations.

11 [REDACTED] Okay.

12 [REDACTED] Okay. Great. Thank you.

13 BY [REDACTED]:

14 Q I wanted to go back to something we discussed before, which is the issue about
15 self-preferencing. Wanted to ask if you're aware of the fact that Korea Naver had previously been
16 prosecuted or found liable for self-preferencing?

17 A Yes. This is the one where they were given a small fine for self-preferencing, but it
18 wasn't around their private -- they don't produce private label brands. Ours was the only one that
19 involves private label, but, yes.

20 Q Okay. But this is an instance in which self-precedencing [sic] was prosecuted by the
21 Korean Government -- or pursued by?

22 A Pursued by them. But it was -- the conduct -- the revenue at issue, my understanding,
23 was very similar to ours. They got a couple million dollar fine. We received a \$130 million fine.

24 Q Right. Would like to ask you about your prosecution for self-preferencing. Can you
25 tell us about how that investigation unfolded and what fines were levied against you?

1 A So that was the one where we were fined \$130 million, the largest retail fine in the
2 history of Korea. It was under the theory of self-preferencing, which requires market dominance,
3 which the KFTC has said we are not market-dominant.

4 We're currently in the equivalent of district court contesting that claim. The largest part of
5 the fine is actually for iPhones where when the new -- as you can imagine, if you get on Amazon and
6 you search "iPhone," you want to see the newest version of the iPhone.

7 If it's an iPhone that just came out, it was just released a month ago, unless you put in the
8 search algorithm to, you know, to look for that, it'll show you, based on viewer history and purchase
9 history, it'll show you the prior iPhone copy.

10 So 80 percent of our -- of the fine in that is based on the fact that we were putting iPhones,
11 the newest release of the iPhone, at the top of the iPhone search instead of allowing older iPhone
12 versions to rise to the top.

13 Q So that was the sum total of what that case was about?

14 A That was it. And then you had our private label brands where many of them were
15 seasonal, and so we would put them at the top, and other private label items that we would often
16 place at the top of searches.

17 Q All right. KF- --

18 [REDACTED] Can we have a moment?

19 [REDACTED] Sure.

20 [Discussion off the record.]

21 [REDACTED] Okay. I'd like to enter into the record, this is exhibit -- are we up to D or E?

22 [REDACTED] F.

23 [REDACTED] F.

24 [Rogers Minority Exhibit F

25 was marked for identification.]

1 [REDACTED] I'm going to apologize. We actually don't have many copies of this one
2 that -- the back part is not clear, so --

3 [REDACTED] We can get you them in a minute if that's acceptable. If not, we can pause.
4 Okay. So I just --

5 [REDACTED] Can we have a second to read it?

6 [REDACTED] Certainly.

7 [REDACTED] Thanks.

8 [REDACTED] That's exhibit?

9 [REDACTED] F.

10 The Witness. Okay.

11 BY [REDACTED]

12 Q So I just wanted to flag and discuss, it appears as though the sanctions on Coupang were
13 not only for self-preferencing but also fake employee reviews.

14 A No, not fake employee reviews. The fact that they were employee reviews and they
15 allege that we didn't disclose that they were employee reviews --

16 Q Okay.

17 A -- even though we did. And that's why we're challenging it in court.

18 Q Okay. Thank you for correcting that word.

19 And so the allegation was consumer deception?

20 A It was -- as you see it, it's self-preferencing. They called self-preferencing consumer
21 deception. To me, this is -- this is another example of exactly what we've been talking about.

22 Every retailer in Korea, and Amazon as well -- and you can have a question as to whether you
23 think it's proper or not, but, you know, they -- items -- certain items are boosted, like they talk about
24 the cold start framework, where new products, you know, the problem with e-commerce is how
25 does a new product get seen. And so you boost that so that people can look at it, and then if they

1 buy it, then it continues to stay up, and if they don't, then it disappears.

2 These are all regular and routine retail practices that all retailers in Korea engage in. None
3 of them are under investigation. None of them have been questioned for the exact identical
4 activity.

5 We pointed this out to the KFTC numerous times, that everybody -- we gave them examples
6 in detail of how every retailer was engaging in the exact same practice and had never been -- for
7 years and years and years -- and had never been seen as illegal.

8 Q Right.

9 A KFTC ignored that and gave us -- levied us the largest retail fine in the history of the
10 country. And you can argue as to the underlying behavior, but certainly our view is this is
11 discriminatory when no other retailer has ever faced this kind of scrutiny.

12 And there's a question, because we're not market-dominant, does this even fall within their
13 laws, and we argue that it does not, and hopefully we'll prevail in court.

14 Q Right. You've referred to yourself, Coupang, repeatedly as the market leader.

15 A We're the largest online retailer.

16 Q Right. And so I'm wondering whether or not, you know, how does that translate into
17 your -- the attention that you think you attract from the government?

18 A Yeah. Certainly as a market leader you often assume that you will receive more
19 scrutiny from regulators, and I think to an extent that's fair. But compare that to Hyundai, which is
20 not only the market leader, they have 90 percent of the market. I think they've had two
21 investigations in the last several years.

22 Samsung, not only the market leader, 60 to 70 percent market share; they don't get anywhere
23 near the scrutiny that we receive, not in the least.

24 Naver has 90 percent market share on internet searches. They don't get the kind of scrutiny
25 that we get. We're at 20 percent market share. We may be the market leader, but at 20 percent

1 market share, we're getting the lion's share of KFTC investigations, not Hyundai, not Samsung, not
2 Naver, not Kakao, not all these other companies that have far larger market share than we do.

3 Q Right, right. Do you think that it's easy for customers to leave Coupang when they're
4 unhappy with something?

5 A Yes, it's very easy. It's much easier for me to cancel my Coupang membership than it is
6 for me to cancel my Amazon membership. And I've shown that to the regulators. We've gone
7 through and I've canceled my Amazon membership and I've canceled my Coupang membership.
8 Far fewer steps to cancel Amazon than Coupang [sic].

9 Q Is the KFTC cancellation -- is the KFTC currently investigating Coupang for cancellation
10 issues?

11 A Yes. And they've questioned the number of steps that it takes to cancel our
12 membership. If you get the opportunity, ask them how many steps it takes our competitors to
13 cancel theirs, our Korean competitors. It's far easier to cancel Coupang than it is to cancel Kakao or
14 Naver. I tried to cancel one of my Korean membership. I was unable to do so.

15 None of them are getting the scrutiny that we're getting. We're not getting scrutiny for our
16 practices. We're getting scrutiny for the fact that we're an American company. That's what we're
17 getting scrutinized for.

18 Our Korean competitors have the same thing, or more difficult. None of them are being
19 scrutinized for it. It's not our practices that are bringing the scrutiny. It's the fact that we're a
20 large American company and that we're beating Korean companies in their markets, which is
21 something they do not want.

22 Q Got it. An interesting point of reference to Amazon, because you said Amazon is not
23 operational in Korea. Is that correct?

24 A That's correct. They have a small overseas business where they partner with a Korean
25 company and you can order certain things in America. They'll have it delivered there, but they

1 don't actually operate within Korea.

2 Q Right, right. I want to just introduce into the record a piece called "Why Korean
3 Consumers Became Coupang's Pawns", from March -- excuse me -- December 5th, 2025.

4 A It sounds like a fair and reasonable reporting.

5 Q I'm just curious about whether or not you think the idea that --

6 [REDACTED] This is G?

7 The Reporter. Yes.

8 [REDACTED] -- the ability of consumers to --

9 [REDACTED] Could we have one second so we can just read it?

10 [REDACTED] Of course.

11 [Rogers Minority Exhibit G

12 was marked for identification.]

13 BY [REDACTED]

14 Q So we've talked about the KFTC investigation to algorithmic collusion -- that was
15 algorithmic -- excuse me.

16 What did the KFTC investigate Coupang for prior to 2025 in terms of algorithmic
17 manipulation?

18 A So I believe when you're using the term "algorithmic manipulation," that's their
19 terminology that they use at times for self-preferencing.

20 Q Okay. And it resulted in what? What was the outcome of that?

21 A That resulted in the \$130 million fine, and I believe also a corrective order that's
22 been -- yeah, interestingly, a corrective order that didn't require us to change our self-preferencing,
23 but, anyway, a corrective order.

24 Q Right. Was there also a criminal referral associated with that?

25 A There was, yes.

1 Q What has been the outcome of those?

2 A So that -- the criminal referral is currently in court. We're challenging that in court.

3 Q Okay. And the fine?

4 A The fine, we're challenging that in court as well, but we've already paid it.

5 Q Right. And when it comes to appeals -- and this is perhaps a broader question for
6 you -- how do you think the courts are faring in terms of the issue of discrimination?

7 A That's a huge question and I'm cautious to step into that. We have great respect for
8 judicial processes. However, that being said, there are no lifetime appointments of judges in Korea.
9 There are political appointments for a certain number of years with judges who seek reappointment.
10 And so while we hope for fair and honest treatment in front of Korean courts, I think the
11 historical record shows a fraught history when it comes to that, not just to us, but to other
12 companies, other U.S. companies.

13 Q Right. With regard to the prior article -- did we keep a copy of it -- about the
14 pawns -- Coupang's clients or customers being dependent on the platform. I just wanted to get
15 your reaction to the sense there, elsewhere in the popular media -- I'm looking at a Wall Street
16 Journal piece, for example, but the general sense is that the customers feel as though they can't
17 leave Coupang, that they're, you know, kind of -- what is your sense regarding that?

18 A I don't think that's true at all. Retail is one of the few competitive markets left in
19 Korea. And on the retail side, you have to add together, I believe, the top six largest retailers to get
20 to 50 percent of the market.

21 My understanding is that's the only major market in Korea where that's the case. Everything
22 else is, you can get to 60 percent with one or two players at most. It's an actively competitive
23 market.

24 Our customers choose us because it's the only place where you can go to get items delivered
25 within hours. It's the lowest prices in Korea, consistently.

1 I order my groceries on Coupang. I haven't been to a grocery store in 4 years, not because
2 there isn't a grocery store two blocks from my apartment -- there is -- but because I can get it
3 delivered to my door at, on average, 20 percent cheaper than what I pay at the grocery store.

4 I don't feel trapped by Coupang. The grocery store is right there. I use it because the
5 prices are cheaper, the quality is often better, and the convenience is unrivaled.

6 And, look, Korean consumers are some of the most discerning and exacting consumers that I
7 have ever experienced. If they get a dented can delivered to them, we hear about it immediately,
8 and we have to replace that can. That's their expectation. It's a wonderful consumer expectation.
9 They have incredibly high standards. They don't feel trapped. All of them have grocery stores a
10 couple blocks from them if they live in Seoul. It's easy to go somewhere else.

11 Every day we feel that pressure that we have to provide for them a better service, a better
12 price than our competitors, all of which are gunning to take us down, as they should. They
13 shouldn't use the government to do that. They should do it through the competitive market, but
14 we feel that pressure, and we work to provide the best services to our customers.

1 [3:21 p.m.]

2 The Witness. And I'm really proud, even with all of this that's going on, even with all of the
3 negative media that they were able to generate, I still walk down the street and people unfortunately
4 now recognize me because I'm in the press every day, and they say, "Oh, Harold Rogers, Coupang,
5 fighting!" which comes from the U.S. military and a term that Koreans have picked up for -- you
6 know, in their sporting events, "Let's go! Fighting!"

7 They love what we do. Customers love what we -- if Americans had the opportunity to get
8 the services that we provide Koreans, you would know how great -- it's amazing.

9 My daughter -- I'll do this really quickly. My daughter, who is very shy and not
10 outgoing -- and her older sister, who is; you know, she lives in her shadow -- decided to join the swim
11 team in high school and was nervous beyond belief. And she had gotten all the things that she
12 needed, and she had forgotten to get a swim cap. And she deals with anxiety. And she came to
13 me in tears -- this was 4 years ago -- she came to me in tears because she had tryouts the next day,
14 she was so nervous about it, and she didn't have the swim cap.

15 We got on Coupang. We found the exact swim cap she needed, because the school was
16 very exact -- very common for Korea. We ordered the swim cap that she needed. We found three
17 different colors and varieties. We ordered it at 11 o'clock at night. The instant I hit that button
18 that they were ordered, her anxiety left, because she knew that we deliver, that it was going to be
19 there. We always meet our promises.

20 Sure enough, the next morning, before she headed to the bus at 6:30 a.m., they were there
21 on our doorstep. She tried the one on; it fit perfectly. Sent her off to school at peace.

22 That's the service that we provide.

23 Korea never went through the big-box revolution that America did. You can't go to one
24 store and buy all the things you need. You have to go out on a weekend, and you have to go to five
25 different stores.

1 When I first got to Korea, I couldn't get on Coupang because I didn't have my cell phone yet,
2 and you have to have a cell phone to get on because of government regulations, and we had to go to
3 these stores. And it was an excruciating experience, to go store to store to store. I had to go to
4 five stores, when in the U.S. I could go to one store to get all the things that I needed.

5 We have eliminated that for them. They weren't being given that, because our competitors
6 weren't being forced to compete for customers, because they were being protected. We came in;
7 we disrupted that.

8 We give customers an experience that is unrivaled. I am so proud of what we provide for
9 our customers. You can't get that kind of service anywhere else. It makes their lives better.
10 They love us. I go to the dentist, and they're like, "Oh, you work for Coupang. We love you guys.
11 Thank you so much."

12 You walk down the street and our Fresh boxes are on people's doorsteps, because they can
13 get their groceries, not at double the price like here in the U.S. to get your groceries, but at
14 20 percent less the price, with no delivery charge.

15 No one's a pawn. No one's being captured. We're providing them a service that nobody
16 else provides them, and they love it.

17 And the Korean Government hates it because we're not a Korean company. If we were a
18 Korean company -- and back when they thought we were a Korean company, we didn't get attacked.
19 But as soon as we IPO'd and they realized, "Oh my gosh, this is an American company, this isn't a
20 Korean company," then the knives came out, then the attacks came out. And they have escalated
21 year after year after year. They want to drive us out so that Korean companies can do the business
22 instead. But none of them are providing it.

23 They call -- you know, Bom Kim, who's Korean-American, they call him a "black-haired
24 foreigner," which is a racial slur. At my National Assembly hearing, they said it on the record, calling
25 him a "black-haired foreigner," which is a Korean that has betrayed them and gone to America.

1 We are being attacked because we're an American company.

2 [REDACTED] We're about out of time, so we're going to -- we will stop now, take a break,
3 and then we'll resume.

4 The Witness. Very good.

5 [Recess.]

6 [REDACTED] On the record. I believe the time is 3:46.

7 BY [REDACTED]:

8 Q Mr. Rogers, on December 11th, Coupang informed NIS that the former employee had
9 responded, and NIS gave Coupang several followup questions for the former employee. Is that
10 correct?

11 A Yes, to my understanding.

12 Q NIS also stated that Coupang could decide the method for analyzing the recovered
13 equipment. Is that correct?

14 A Yes.

15 Q Do you -- Coupang's legal team spoke with the former employee's lawyer later that day.
16 Is that correct?

17 A That's my understanding, that that's right.

18 Q Do you know what was said during this conversation?

19 A I don't. I wasn't directly involved. I don't recall.

20 Q Coupang then decided to communicate with the former employee through outside
21 counsel, and NIS approved of this approach. Is that correct?

22 A Yes.

23 Q The former employee's lawyer then sent an email to Coupang stating that the former
24 employee would refuse to engage in conversations with Coupang. Is that correct?

25 A Yes. He wanted everything through his lawyer.

1 Q And Coupang informed NIS of this on December 13th. Is that correct?

2 A I believe that's right.

3 Q Did NIS give any advice or recommendations in response?

4 A I am not sure. I think they just encouraged us to continue our efforts.

5 Q On December 14th, Coupang's lawyer reached out to the former employee's lawyer
6 again and was able to set up a face-to-face meeting. Is that correct?

7 A Yes.

8 Q Coupang then informed NIS of this, correct?

9 A Yes.

10 Q Do you know what NIS said in response? Did they provide any advice or
11 recommendations?

12 A They may have; I'm not sure. I just know that they were encouraging us to do this.

13 Q After that, the former employee confessed to having accessed the data without
14 authorization, correct?

15 A Yes.

16 Q He acknowledged that his desktop computer and hard drive were in Shanghai, correct?

17 A Yes.

18 Q Was Coupang able to make sure that the computer and hard drive were secure?

19 A Yes. We were able to obtain those from the former employee.

20 Q Coupang informed NIS about all of this on December 16th. Is that correct?

21 A Yes.

22 Q Coupang had a meeting with NIS that same day, correct?

23 A Yes.

24 Q During this meeting, did NIS inform Coupang that, because of Chinese law, foreign
25 intelligence agencies, including NIS, could not operate in China?

1 A Yes.

2 Q Did NIS tell Coupang that, because of this, Coupang must be responsible for retrieving
3 the devices from China?

4 A Yes. They told us that we had to send Arthur to China to obtain the devices.

5 I told them -- I told our legal team we would not do that, that the risk was too high. I was
6 then told that, under Korean law, we had to, we were required to. And so we allowed Arthur to go.

7 Q So Coupang agreed to send an employee to retrieve the devices from China because it
8 believed it had a legal obligation to do so. Is that correct?

9 A Yes. I never would have allowed one of our Korean employees to go to China to
10 basically operate as an NIS operative on Chinese soil unless I believed that it was required of us by
11 law.

12 Q In fact, later that same day, Coupang expressed concern about proceeding with the
13 retrieval without consulting with the police beforehand, correct?

14 A Yes. That was the other concern, is the concerns it would create with the police as
15 well.

16 Q Do you happen to know what NIS said in response?

17 A NIS told us not to worry about the police, that they would take care of the police and
18 communicate with them, and that we needed to keep it confidential from the police.

19 Q So NIS advised Coupang that, given the high risk involved with the retrieval operation, it
20 would be best not to notify the police until the retrieval was complete to ensure a safe and successful
21 recovery of the devices, correct?

22 A Yes.

23 Q Coupang complied with that because it believed it had a legal obligation to do so,
24 correct?

25 A Yes.

1 Q Coupang spoke with NIS several times on December 16th to finalize the details of the
2 recovery plan. Is that correct?

3 A Yup. Yes.

4 Q Do you know what was discussed during those conversations?

5 A I don't know everything that was discussed because I wasn't involved in that level of
6 detail. But my understanding is that they were coordinating getting the devices and the statements
7 and the hand-off and where it would occur.

8 I believe NIS also wanted to make sure there were certain things in the statement that they
9 wanted to make sure that we got the former employee to say.

10 Q So they were discussing the details of the operation. Is that correct?

11 A Yes.

12 Q During this, do you know if NIS provided advice or recommendations to Coupang on
13 how the operation should proceed?

14 A I believe they did.

15 Q The following day, on December 17th, a Coupang employee arrived in Shanghai to
16 retrieve the devices. Is that correct?

17 A Yes.

18 Q Can you describe in your own words what took place throughout the actual recovery
19 operation itself?

20 A So my understanding is, our employee flew to China. He -- Arthur was very worried
21 about doing it as well. The NIS assured him that they would be there in China. They wouldn't be
22 directly involved, but they would be -- I think what they told him is "nearby" to make sure that he
23 stayed safe.

24 My understanding is, during that time, Arthur came to the law offices to pick up the devices
25 and the statements, communicated that to the NIS. The NIS instructed him a location to meet to do

1 the hand-off where there was no CCTV cameras to capture the hand-off. He delivered it to them.

2 My understanding is, after that, the NIS reviewed it. They wanted certain additional things,
3 including fingerprints on all of the statements. And the former employee had talked about the
4 MacBook Air that he had thrown in the river. They came back to Arthur and said, "We want you to
5 get divers and get that."

6 He came back to us with those requests. We resisted but were told we had to comply. We
7 authorized that. The salvage effort was done, and they claimed they found -- that was probably the
8 biggest surprise to me, when they pulled the computer out of the river. I didn't think it would ever
9 be found.

10 And that was then communicated to the NIS and then once again delivered, through
11 instructions from the NIS to deliver it to a spot where there was no CCTV cameras. It was handed to
12 the NIS.

13 My understanding is, the NIS then took it directly to the South Korean Embassy in Shanghai
14 and then moved it via diplomatic pouch into Seoul, where they then returned all of those materials
15 to us, for us to then deliver to the police in Seoul.

16 Q So, making sure I have this right: Both in conjunction with and at the direction of NIS,
17 a Coupang employee was able to retrieve the former employee's computer -- desktop computer, that
18 is -- four hard disks and four copies of the hard disks, a graphics card, signed declarations from the
19 former employee, and documents and other evidence.

20 Is that correct?

21 A Yes.

22 Q All right. That was in the initial batch that was reviewed, correct?

23 A Yes.

24 Q Retrieved.

25 A Yup.

1 Q The employee then delivered that collection of evidence and devices to NIS in the lobby
2 of the law firm where they were coordinating the retrieval. Is that correct?

3 A That's my understanding.

4 Q NIS then wanted the Coupang employee to recover additional materials, including the
5 laptop that was thrown in the river as well as the former employee's fingerprints on the declaration.
6 Is that correct?

7 A Yes.

8 Q Coupang's employee then did so and delivered -- both at the direction and in
9 conjunction with NIS -- and delivered that additional material to NIS in the lobby of the law firm. Is
10 that correct?

11 A Yes.

12 Q On the 19th, the Coupang employee left Shanghai. Is that correct?

13 A Yes.

14 Q The following day, NIS transported the evidence back to South Korea through a
15 diplomatic pouch. Is that correct?

16 A Yes.

17 Q And on December 21st, Coupang submitted copies of the devices and explained the
18 details of the NIS-directed investigation efforts to the police. Is that correct?

19 A Yes.

20 Q What did the police say in response?

21 A I wasn't there. It was one of our legal team that delivered over to them. They kept
22 him there for several hours, questioning him on all of the efforts that we had done in conjunction
23 with the NIS, and then went through the materials, asked various questions about the materials.

24 We then also shared copies of all of the materials on the 23rd to JIT and to PIPC as well.

25 Q So, to confirm, on December 23rd, Coupang updated the Korean regulatory authorities

1 that were part of the joint investigation team and provided them with copies of the evidence. Is
2 that correct?

3 A That's correct.

4 Q Between December 1st and December 26th, NIS held nearly 230 phone calls with
5 Coupang regarding steps to obtain information from the former employee. Is that correct?

6 A Yes.

7 Q At any point in this process, did NIS indicate that it did not approve of the measures that
8 Coupang was taking?

9 A No.

10 Q In fact, NIS provided advice and recommendations on Coupang's actions at virtually
11 every step in the process. Is that correct?

12 A Yes. They were deeply involved, instructing us on what to do, giving us directions on,
13 you know, fingerprints, on how we write to him, on additional things that we needed to get, on how
14 we were to hand things over. They were closely and directly involved constantly throughout the
15 process.

16 Q That advice and recommendations included an instruction not to -- to keep the
17 information confidential and to not disclose the information to the police. Is that correct?

18 A That's correct.

19 Q Did NIS ever suggest that Coupang had no obligation, legal or otherwise, to listen to
20 NIS's advice and recommendations?

21 A No. My understanding from our employees who interacted directly with them is that
22 the NIS consistently made it very clear that we were required to comply with their instructions.

23 Q So, not only did NIS never suggest that Coupang did not have a legal obligation, it, in
24 fact, affirmatively indicated there was a legal obligation to comply.

25 A Correct.

1 Q Similarly, at any point in this process, did NIS suggest that Coupang was free to ignore its
2 instructions and proceed on its own?

3 A No.

4 Q Did NIS ever once state that it did not have the legal authority to issue directions to
5 Coupang?

6 A No. Just the opposite.

7 Q At any point in this process, did Coupang believe that it was working on its own volition?

8 A No. I never would've authorized an employee to go to China, I never would've
9 authorized hiring a diving crew in broad daylight in China to retrieve a device unless I firmly believed
10 that we had a legal obligation and a requirement to do so.

11 Q I'd like to move to the National Assembly hearings and perjury charges.

12 On December 30th and 31st, 2025, several Coupang executives, including yourself, testified in
13 front of a joint session of six standing committees of Korea's National Assembly regarding the data
14 incidents.

15 Is that correct?

16 A Yes.

17 Q If you don't mind, can you describe the testimony you provided and what happened
18 during the hearing in your own words?

19 A Yeah.

20 So I was compelled to appear under threat of criminal prosecution if I didn't appear.

21 I, as I do with meetings that are in Korean, I brought my interpreter who I work with. She
22 was told that she could not interpret my answers. At times, she was told that she had to shorten
23 those answers. She was made to stand up, and the chairwoman ridiculed her for being there, and
24 forced us to use the interpreters that were provided by the National Assembly, who did not provide
25 me full and complete translations of what was being asked to me and would often cut off in the

1 middle of questions that I was -- that I was getting. I wasn't given the opportunity to have those
2 interpretations finalized or redone when I had questions.

3 I was shown documents in Korean that were not translated for me. We had made requests
4 to receive any documents that would be shown to me during the hearings; those requests were
5 denied. We made requests for my U.S. counsel to attend the hearing with me; those requests were
6 denied.

7 During the proceedings, I was often not allowed to answer questions. I was told that I was
8 not answering questions, but when I tried to do so, I was yelled at and told to stop answering
9 questions.

10 I was threatened with perjury probably at least 20 times as I gave answers. I was threatened
11 with arrest. I was threatened with a travel ban. Then I was threatened with deportation by
12 another member of the National Assembly. I was sworn at, called a liar, called, in my
13 understanding, the equivalent in Korean of a mother-F'er in the hearing.

14 I was kept in the hearing from, I believe -- I think they started at 10:00 a.m.; it may have been
15 9:00 a.m. -- 9:00 a.m. and held there until 11:30 at night under constant questioning. That was 2
16 days in a row. Went through the same thing back on December 17th as well.

17 Following the hearing, we were accosted by groups of people and individuals, screamed at,
18 yelled at. One of my security personnel was decked in the face. Several were shoved to the
19 ground as we tried to make our way out of the National Assembly Building.

20 I have since been the focus of multiple death threats. I'm under full-time security now, both
21 me and my family. I was accosted just a couple weeks ago at church by someone who had figured
22 out that I would be there and accosted me and my wife and my son. And had to -- I've had to since
23 increase security again because of fear of safety.

24 They've tried to publish my home address for people to see, so that they can stage protests
25 and other things outside of -- outside my home.

1 The police tried to put me under a travel ban and keep me in Korea three separate times.
2 When I left to come attend this hearing, I wasn't given assurances that I'd be let out of the country.
3 Fortunately, I was.

4 But the scrutiny has been -- and abuse has been really nonstop since this all happened.

5 Q Is it fair to say you would describe the hearing as overtly adversarial?

6 A Yeah, it was like something I've never seen before.

7 Q You said that your interpreter you brought with you was insulted by the National
8 Assembly. Can you describe that a little bit?

9 A Yeah. She was -- [REDACTED] who's a phenomenal interpreter, has worked with us for over 6
10 years. She was made to stand up and told that she was doing a terrible job. The chairwoman told
11 her she was doing a terrible job and that she needed to follow the chairwoman's instructions and
12 interpret my answers in the shortest possible way and that there was no need to give a full
13 interpretation, and only interpret the things that the chairwoman wanted to hear. I believe there
14 were multiple times where she was made to stand up and was castigated in that way.

15 [Discussion off the record.]

16 The Witness. The reason why the translation was so important to us is, before the hearing I
17 had to sign a declaration that I was appearing there. Anything I said that was untruthful, I would
18 be, you know, pursuant to perjury and potential criminal charges. And so we wanted to make sure
19 that all of my answers were fulsome and accurate, and needed an interpreter both to understand the
20 questions that were being asked to me and provide an answer.

21 There are several perjury charges that stem from questions that I received that weren't
22 properly interpreted to me and I didn't answer that question.

23 And so it was important that we had proper interpretation. They would not allow it.

24 BY [REDACTED]

25 Q So I want to follow up on that a little bit. Can you give some of those examples of

1 things that were either said to you that you feel were improperly interpreted or things you said that
2 you feel were improperly interpreted? Do you have any specific examples?

3 A Yeah. There was a -- I was shown a document in Korean. It wasn't translated for me.
4 It wasn't described to me. They wouldn't give my interpreter the chance to read it to me in English
5 so I could understand what it was. I was asked several questions about it. In the interpretation, it
6 wasn't interpreted properly as to what the document was. So I answered the document as to
7 general employment contracts that we have, but the document was something else, but it was never
8 fully explained.

9 It was obvious, I think, to anybody that I wasn't answering questions on that document, that I
10 didn't understand what I was being shown. I told them that it was in Korean, I didn't know what the
11 document was.

12 They continued with the questioning and then used that line of questioning as one of the
13 perjury charges, saying that my answers were untruthful because I wasn't answering about the
14 document that they were showing me.

15 Q Were there any interpretation issues around words like "instructed," "required," things
16 of the like?

17 A Yeah, my understanding is that a lot of those were misinterpreted in Korean. And I'm
18 not sure exactly what all of that entailed, but there were -- there were questions about what a
19 directive is versus what an instruction is. That became a big issue. It was never fully explained to
20 me or interpreted for me.

21 Q But you would maintain that, even if it was interpreted in a more aggressive way where
22 there was a legal authority to compel you to do so, your position was Coupang believed it had a legal
23 authority to do so?

24 A Yes.

25 Q Can you -- you spoke of, sort of, insults being thrown at you and aggressive comments

1 made about both you and Coupang during the hearing. Do you have any examples of those?

2 A Yeah. I was called a "puppet." When I responded to a question that I didn't -- I didn't
3 know the answer, they would openly laugh at me, sort of these big, staged laughs to get on camera.

4 I was -- there would be a Korean colloquialism that I wouldn't understand, and I would ask for
5 it to be explained to me, and they would ridicule me for not being able to speak Korean.

6 I think I was called "evil" a number of times.

7 I don't recall -- I've blocked some of the things out, but that's the general tenor of how it
8 went.

9 Q Were any comments made about Coupang as a business throughout the course of that
10 hearing that you would describe as antagonistic or hostile?

11 A Yeah. Several National Assemblymen called for us to be bankrupted. They asked for
12 the passage of a Coupang law to put us out of business. We were called an organized crime
13 organization or a mafia on multiple occasions.

14 Q And then, earlier, you mentioned there was an incident in which one of the members of
15 the National Assembly showed people how to delete their Coupang account and sign up for one of
16 your competitors, Naver.

17 Could you walk me through that incident, what occurred, what they actually did in practice,
18 just elaborate on that a little bit more?

19 A Yeah. So this National Assemblyman, with his 5 minutes of time, he put up on the
20 screen, live, as he went through and canceled his membership. He didn't seem to have any
21 difficulty doing so, despite what the KFTC has alleged, and, within 5 minutes, ran through all the
22 steps and, while live, canceled his membership, and then encouraged everybody watching the
23 hearing to cancel their membership, as well, and, I believe, encouraged them then to join up with
24 one of the Korean competitors.

25 Q During hearings, did you testify that Coupang investigated according to the instructions

1 of the government?

2 A Yes.

3 Q Do you believe that was a true statement?

4 A Yes.

5 Q Does that align with the testimony you've given here today?

6 A Yes.

7 Q Did you testify that "NIS said Coupang needed to cooperate, and because requests for
8 cooperation are actually binding under Korean law, we understood we had to follow this agency's
9 instructions," unquote?

10 A Yes.

11 Q Do you believe that to be a true statement?

12 A Yes.

13 Q Is that statement consistent with the testimony you've provided today?

14 A It is. And not only do I believe it's true, I believe it's the understanding of the
15 President, I believe it's the understanding of the Director of the NIS, and other senior government
16 officials.

17 Q So you believe the NIS understood that to be true.

18 A Yes.

19 Q Did you testify that NIS, quote, "told us to contact the suspect. We did not want to
20 contact the suspect, but they requested us to contact the suspect multiple times. And although we
21 refused, we learned that we had to follow the request according to the law, which is why we reached
22 out to the suspect," unquote?

23 A Yes.

24 Q Do you believe that is a true statement?

25 A Yes.

1 Q Is that a statement that aligns with the testimony you've provided today?

2 A Yes.

3 Q Following the hearing, Deputy Prime Minister Bae Kyung-hoon claimed that, even
4 though, quote, "the NIS cooperated in the transport process due to concerns about loss during the
5 transport of the mentioned laptop, desktop, and SSDs and concerns about them being exploited as
6 an international incident involving external forces," unquote, the, quote, "NIS had no authority to
7 instruct Coupang," unquote, correct?

8 A Correct.

9 Q Is that a true statement?

10 A I do not believe that's true.

11 I think it's also worth pointing out that I believe the Deputy Prime Minister did not have to
12 take an oath and was not under risk of perjury in his testimony.

13 I think it's also worth noting that the chairwoman requested that the NIS Director appear at
14 the second day of the hearing and the NIS Director refused to appear and testify.

15 Q From your understanding, did NIS have the authority to instruct Coupang?

16 A Yes. That was the advice that we received from two leading Korean law firms.

17 Q Do you believe the Deputy Prime Minister lied when he made the statement?

18 A I believe that he knew what the truth was and that it was different than what he was
19 stating.

20 Q The Deputy Prime Minister then said that the National Assembly and Korean
21 Government would, quote, "proceed with investigations," unquote, and, quote, "impose penalties,"
22 unquote. Is that correct?

23 A Yes.

24 Q National Assembly members then continued accusing Coupang of obtaining information
25 from the former employee on its own. Is that correct?

1 A Yes.

2 Q National Assembly members even stated that, quote, "the National Intelligence Service
3 gave no instructions," unquote, to Coupang. Is that correct?

4 A Yes.

5 Q Did anyone from NIS attend the hearing on December 30th or 31st?

6 A No.

7 Q Even still, the Director of the NIS asked the National Assembly to file a complaint against
8 you for perjury. Is that correct?

9 A Yes.

10 Q The Director said that NIS never gave instructions to Coupang and never instructed
11 Coupang to contact the former employee. Is that correct?

12 A Yes.

13 Q Is what the NIS said true?

14 A I do not believe so.

15 Q Do you believe that the NIS knew that wasn't true when they made that statement?

16 A Yes.

17 Q Is it fair to say that the NIS lied in making that statement?

18 A I believe they were untruthful.

19 Q During the hearing, one lawmaker even asked the acting commissioner of the National
20 Police Agency to consider arresting you and imposing, quote, "an immediate travel ban on CEO
21 Harold Rogers," unquote. Is that correct?

22 A Yes.

23 Q On December 30th, NIS issued a press release entitled, "The National Intelligence
24 Service Requests the National Assembly to File a Criminal Complaint Against Coupang CEO for
25 Perjury." Is that correct?

1 A Yes.

2 Q In it, NIS claimed that your testimony was, quote, "entirely untrue," unquote, and that
3 NIS never gave, quote, "any instructions," unquote, quote, "orders," unquote, or, quote,
4 "authorizations," unquote, to Coupang.

5 Is that correct?

6 A Yes.

7 Q How many times were you threatened with criminal action during the hearings?

8 A At least over 20 times.

9 Q Did the National Assembly ever file a criminal complaint against you or any other
10 Coupang executives?

11 A Yes. They filed a complaint against me and, I believe, four or five other executives.

12 Q What did those complaints allege and call for with regard to legal action?

13 A So several of them were perjury charges and called for police investigation and a
14 criminal indictment. And then a couple of them were for nonappearance.

15 Q Were any filed against other Coupang executives?

16 A Yes. A criminal complaint was filed against D.J. for perjury; against [REDACTED], our head of
17 retail; against, I believe, [REDACTED] who works in our policy department. And then they filed a
18 criminal complaint against Bom Kim for nonappearance and one other executive for nonappearance.

19 Q So they filed criminal complaints against several American citizens. Is that correct?

20 A Yes.

21 Q Despite all of this, did Coupang ever communicate a desire to cooperate with the police
22 regarding any investigation into the alleged perjury?

23 A A desire to coopera- -- yes.

24 Q How many times did Coupang communicate its willingness to cooperate?

25 A Specifically with my perjury?

1 Q With the investigation.

2 A With the investigation into me?

3 Q Yes.

4 A Yeah. So our -- my lawyer sent several letters to the police, which were ignored. And
5 the police publicly said that I was not responding to them and that if I didn't respond and appear,
6 that they would issue an immediate arrest warrant for me, even though lawyers at Kirkland and our
7 local Korean law firm had sent multiple letters expressing the fact that I was committed to coming in
8 for the interrogation -- which I did -- and that I was committed to cooperating with the investigation.
9 They kept issuing public statements that I was not cooperative, that I was not willing to come in, and
10 that I was fleeing justice.

11 Q They issued these public statements after you had already agreed multiple times to
12 cooperate with the police. Is that correct?

13 A That's correct, including having set a date for my interrogation.

14 Q So the statement that they made was not true. Is that correct?

15 A That's correct.

16 Q Do you believe they knew it was not true when they made it?

17 A I believe so.

18 Q Did your interview ever get scheduled?

19 A Yes.

20 Q When did your interview get scheduled?

21 A So I attended two different ones so far. I can't recall the dates of them.

22 [REDACTED] They were January --

23 The Witness. January 6th?

24 [REDACTED] -- 6th and 13th, I believe.

25 The Witness. Okay.

1 [REDACTED] I think it was the 16th and 23rd. I believe those were the dates. But I'll
2 double-check.

3 Yes, it was the 23rd -- no. It was the 30th. The first interview was on the -- it was on
4 January 30th, and the second was on February 6th.

5 The Witness. Okay.

6 BY [REDACTED]

7 Q Is that your understanding of when those interviews were?

8 A Yes.

9 Q Did the police ever threaten to seek an arrest warrant for you?

10 A Yes.

11 Q Do you know when they did so?

12 A I believe it was the middle of January where they threatened an arrest warrant.

13 Q Had your interview already been scheduled at that point?

14 A Yes.

15 Q So the police threatened an arrest warrant against you for not cooperating after you
16 had already, in fact, scheduled the interview.

17 A Yes, that's my understanding.

18 Q Did that interview take place?

19 A Yes.

20 Q Can you describe that interview in your own words?

21 A Yes. So I was -- arrived at -- I believe it began at 2:00 p.m. I walked through a
22 gauntlet of about 80 people from the media yelling questions at me. I was put in a small room. I
23 was allowed to have U.S. attorneys with me.

24 And then I was questioned by police interrogators from 2 o'clock, the first time, until about
25 2:30 in the morning was when I finally finished. The second one, very similarly, but I think we began

1 a little bit earlier on that one. And then that one finished at about 3:30 a.m. in the morning.

2 Q Can you describe what took place during that interview and the officers' approach to
3 the interrogation?

4 A Yeah. So I was, you know, asked a series of questions. There was a clear assumption
5 from the police that I had committed perjury, committed the crimes that I was alleged of. Often
6 pushed, you know, to say, "Why don't you just basically come clean and say that you've done this?"
7 But ran them through all of the issues. Lasted, you know, hours and hours into the -- into the
8 morning.

9 Q Can you describe what's taken place since those interviews?

10 A Since those interviews, from the police there have been continued followup questions.
11 They've brought in other people for interrogation, others of our employees for interrogation. And
12 my understanding is, the next step is a referral to the prosecutors with a recommendation of
13 indictment.

14 Q So you are still facing a criminal complaint from the National Assembly. Is that
15 correct?

16 A Yes.

17 Q Have policymakers or lawmakers made any public statements in the past several weeks
18 regarding this incident?

19 A Yes. There have been continued several comments about the -- the extreme scope
20 and how terrible this is; I think, misleading statements about the type of data that was released.
21 There have been continued statements about these apartment access codes, misleading people.
22 There have been statements on financial data, and I believe misleading customers into the extent
23 of -- and risk of the data.

24 Q Has NIS ever corrected or modified statements that they had previously made about the
25 truthfulness of your testimony?

1 A No.

2 BY [REDACTED]

3 Q I'm going to ask just a few questions. I'll be brief.

4 A Yeah.

5 Q I'd like to go back to an exhibit introduced by my Democratic colleagues in the minority,
6 exhibit G, if you have that.

7 So this exhibit, introduced by the minority, it talks about how retailers were, quote, "stifled by
8 regulations under the Distribution Industry Development Act, which blocked their ability to respond
9 swiftly online and offline."

10 Do you see that?

11 A I'm not finding the line about "offline and online."

12 Q It is the third paragraph on the second page, the second-to-last sentence.

13 A Got it. Found it.

14 Q Do you agree, Korean laws and regulations like the Distribution Industry Development
15 Act made it hard for retailers to innovate in Korea?

16 A Yes, my personal opinion is that there are various regulations in Korea that make
17 innovation and competition difficult.

18 Q And this exhibit, introduced by the minority, then says, quote, "... Coupang's innovation,
19 which endured years of trillion-scale deficits to build its infrastructure."

20 Did Coupang innovate by investing heavily?

21 A Yes. "Trillions" would be, basically, billions of U.S. dollars.

22 Q The article also talks about, at the top of the second page, quote, "working moms
23 exhausted after work who must prepare meals for their children the next morning," end quote.

24 You testified earlier about how a consumer on Coupang can order late and a product will
25 arrive early the next day --

1 A Yeah.

2 Q -- on Coupang. Is that what this article is talking about, that service?

3 A Yes.

4 Q And is it correct that Coupang can provide this service because of Coupang's, quote,
5 "years of trillion-scale deficits to build its infrastructure"?

6 A Yes. And my understanding is, we're the only company in Korea that can offer that
7 service at the scale and selection at which we do.

8 Q And this article that was introduced by the minority then talks about, quote, "The only
9 solution is to restore consumer choice by fostering a competitive market."

10 Is the Korean Government currently deregulating to support competition?

11 A Not by my understanding, they're not.

12 Q The Korean Government is now attacking Coupang through various regulations and
13 laws, right?

14 A Correct.

15 Q And your testimony is that the Korean Government is attacking Coupang because it's a
16 successful U.S. company, right?

17 A Yes.

18 Q Do you believe the current Korean Government wants a monopolistic Korean company
19 to take Coupang's place?

20 A I believe they would prefer that significantly over the current market.

21 Q And that would be consistent with what we have seen in other industries in Korea,
22 right?

23 A Yes.

24 Q Like Samsung.

25 A Yes.

1 Q Like --

2 A Hyundai.

3 Q -- Hyundai.

4 And what happens to the investment in Coupang if the Korean Government is successful in
5 attacking you and replacing a Korean monopolistic company in your place?

6 A All of those U.S. investors will lose the money that they invested into us.

7 BY [REDACTED]:

8 Q Do you believe that Korean regulators target Chinese companies to the same degree
9 they do American companies?

10 A That has not been our experience. Companies like Temu and Ali and SHEIN do not
11 receive the regulatory scrutiny that American companies do.

12 Q Why might that be?

13 A My personal view is, it's because each of those have entered into large joint ventures
14 with Korean companies.

15 [REDACTED] We can go off the record.

16 [Recess.]

17 [REDACTED] We're ready to go back on the record, and it is now 4:37.

18 BY [REDACTED]

19 Q So I wanted to pick up where my colleagues from the other side of the aisle left off.

20 We had the account of the mom, working mom, exhausted after work, who must prepare
21 food --

22 A Yes.

23 Q -- for their children.

24 If we continue reading, this discusses how, quote, "there is effectively no substitute for
25 Coupang," period, close quote.

1 Do you agree or disagree?

2 A I agree in the sense that we're the only company that I'm aware of that's able to deliver
3 the wide selection we do on the timeframe that we do with the consistency that we do. Yeah.
4 And partly because of the regulatory environment where the government mandates that large
5 hyper-marts and corporate supermarkets close twice monthly and are not allowed to operate
6 between midnight and 10:00 a.m.

7 Q Okay.

8 And so how do you feel about the assessment of J.P. Morgan, where they talk about the
9 number of customers leaving Coupang will be limited because of its, quote, "unrivaled market
10 positioning," unquote?

11 A I don't know enough about their assessment. Reading this line, I wouldn't agree with
12 it, but I'd need to read the full report that they must've issued.

13 Q So do you agree that there would be some element of market power that would leave
14 customers feeling dependent in some way?

15 A No, I don't think that's the case. There are alternatives. Would they have -- would
16 they have to avail themselves of worse services that aren't as -- with higher prices and lower
17 selection and less convenience? Probably. But they have alternatives. There's stores on nearly
18 every corner.

19 Q But your service, as you described it, was in distinction with the services where you just
20 go to the super- -- you go to the stores on the corner. You sort of said, the good thing about your
21 service is that you don't have to go to the five stores to pick up all your goods, which is the thing you
22 described earlier.

23 A Yes, and there's a competitive market, and competitors -- you know, this article talks
24 about government regulation that kept competitors from being able to do so, but there's an
25 opportunity for competitors to offer the same exact service that we do. None have done so thus

1 far.

2 Q So I'm asking whether or not the five different stores that people could go to is a
3 meaningful substitute for the service that Coupang provides.

4 A I don't know. I'm not an antitrust expert. I wouldn't want to have to go to five
5 different stores. I didn't enjoy that experience. I think people choose us because we're a better
6 service. I don't know the technical definition of "market power," but I think customers use us
7 because we provide a service that's superior to other companies.

8 Q All right. Okay.

9 Are you familiar with, sort of, Digital Market Act rules in the EU and that type of thing?

10 A Loosely. I'm not --

11 Q Loosely.

12 A -- an antitrust expert, but I know about the DMA a bit.

13 Q Okay. Are you familiar with some of the proposals that had been floating around in
14 South Korea in terms of adopting DMA -- we'll call them, DMA-style-type rules?

15 A So I know they've been called DMA-style.

16 Q Uh-huh.

17 A My understanding is that they're different than the DMA in the powers that they give
18 the government to make ad-hoc determinations to shut down the business and do a full business
19 suspension without any finding of wrongdoing, with just an allegation of wrongdoing.

20 So there's many bills out there, but I'm not sure that it's accurate to call them DMA-style.

21 Q Okay. So, focusing on DMA-style regulations or DMA-style rules, would you view those
22 as discriminatory?

23 A To me, it would depend on how they're drafted and how they're enforced. We have
24 no problem with regulation as long as it's fairly applied to all the companies.

25 The concern that we have in Korea is that the regulations that are already on the books are

1 being applied discriminatorily against us and that regulations that are being proposed are designed in
2 such a way that they will disproportionately attack U.S. companies.

3 The interesting thing in the EU with the DMA, there were U.S. companies that were
4 market-dominant and reaching to the extent of perhaps even a monopoly or a duopoly. That's not
5 the case in Korea. In Korea, the companies that are being targeted are U.S. companies that are not
6 the market leaders.

7 We're not the -- you know, the retail market is incredibly diversified. We have around
8 20-percent market share. They're going after -- this law would go after Apple and leave Samsung
9 alone when Samsung has 60- to 70-percent market share.

10 Q I'm confused, because you've repeatedly referred to Coupang as a market leader.

11 A It's a market leader with 20 percent, but it's in a -- it's in a retail space. We're a market
12 leader at 20 percent of the market, right? We have competitors that are close to 20 percent.
13 We're not a market leader in the sense that we have three times the market share of our
14 competitors. It takes -- you know, you've got to add up multiple companies to get to 50 percent,
15 whereas, you know, Samsung alone is over 60 percent.

16 Q What are the markets that you're referring to when you talk about 20 percent?

17 A So that's the retail market in which we operate.

18 Q So it's 20 percent of e-commerce? Or --

19 A Of retail. I believe in e-commerce we're slightly larger but still not above -- I don't
20 know where we're at, but we're not in a market-dominant position.

21 The KFTC has officially stated that we are not a market-dominant company. And they're
22 looking at -- and when they look at the market, they don't just look at e-commerce; they look at large
23 e-commerce that delivers overnight. And even with that definition, we're still not in a
24 market-dominant position.

25 And yet we get more scrutiny from the KFTC than any of our Korean competitors, by a large

1 margin.

2 Q Okay.

3 A So I have no concern with being regulated. And I think we can have very different, you
4 know, views and opinions over what should be regulated and especially with platform companies. I
5 am fine with that. All I want is for regulations to be applied fairly to all companies.

6 Q So, backing up, you said that you're being targeted far more, and we're talking about
7 competition right now.

8 A Yes.

9 Q Can you give me concrete reasons and the examples of why you think you're being
10 targeted in a discriminatory manner?

11 A Yeah. I believe the reason is because we're an American company --

12 Q Okay. Can you --

13 A -- and our competitors are Korean.

14 Q Can you supply me with the specific facts? So what are the allegations that are being
15 alleged by the agency in this kind of setting?

16 A Against us?

17 Q Yes.

18 A Well, I mean, we've got the whole list. The way you can sign up or cancel our
19 membership, where all of the other companies have similar and, I would argue, more difficult ways
20 to cancel their membership --

21 Q Where -- which are you referring to?

22 A So I think it's number 9.

23 Q Okay.

24 A "On-site investigation regarding potential violations of the [Electronic
25 Act]" -- "membership registration and withdrawal procedures, purchase and cancellation processes."

1 Q Okay. So can we break that down? Is there anything wrong inherently with the
2 Korean Government regulating in that space?

3 A No. I don't believe there's anything wrong with that.

4 Q Okay. And so when does the discriminatory activity come into play? You're saying
5 that the existence of the law is legitimate. Is launching an inquiry or an investigation something
6 that's appropriate?

7 A When it's being done as a response from a President telling the agencies to directly
8 attack us, and it comes after a data leak when the chairman of the KFTC is excoriated by the National
9 Assembly for not launching enough investigations into us, and it's for behavior that all of our
10 competitors are engaged in similar or more difficult -- more potentially problematic behavior and yet
11 we're singled out, and it's added to numerous others at the same time, that to me appears to be
12 baldly discriminatory.

13 Q Okay.

14 Can you go through and explain to us, you know, the characteristics that make this
15 discriminatory?

16 You're saying there that the discriminatory feature is that it was done at the behest of the
17 President.

18 A Yeah, I think that's -- that's part of it.

19 So we had the data leak. The President came out and said, Coupang should be punished in a
20 way that it fears that it will go out of business.

21 Q Okay.

22 A The Prime Minister came out and said, you need to treat them like a mafia, and don't
23 get -- you know, don't worry about the academic niceties of the law.

24 Q Right.

25 A And then, in the wake of that, they launched 40 different investigations --

1 Q Right. And what I wanted to do is to be able to understand the characteristics about
2 them that are discriminatory. Rather than looking at the list as a whole, sort of just --

3 A Sure --

4 Q -- generally giving the sense about, there are, by your own estimation -- I'm looking at
5 the list -- 11 separate Korean Government agencies associated with this. And so I'm trying to
6 understand, in each of these instances, what is it about the investigation that is discriminatory?

7 And would you concede, as a general proposition, that the investigations -- again, not
8 conceding guilt or liability, but that the general purpose of the investigations of this type are
9 generally legitimate?

10 A No. In this case, I wouldn't. What --

11 Q Okay.

12 A -- I would view these as, pretextual. They have a veneer of legitimacy, but, given the
13 timing, given the fact that -- look at the membership withdrawal one, where we're not a market
14 outlier in our membership sign-up and cancellation process, and yet nobody else is being scrutinized,
15 and the timing just happens to be 2 days after he's criticized by the National Assembly and just
16 following the President and Prime Minister telling the agencies that we are a political target that
17 needs to be attacked. If you look at them together, I think the discriminatory pattern, to me at
18 least, is clear and obvious.

19 But, no, I don't find these as potentially legitimate. I view them as -- many of them, as
20 pretextual. We're being investigated by the National Tax Service after we just passed our audit last
21 year. And --

22 Q Let me --

23 A -- usually those audits only come once every 5 years, yet we're getting one right now?
24 Yes, a tax audit is legitimate. Is that tax audit legitimate? It seems pretextual to me.

25 Q Right. So -- well, not "right."

1 Let me re-ask my question, because I don't think it was clear, so let me try again. I am
2 asking about the general proposition in terms of the legitimacy of the Korean agencies listed to
3 engage generally in the types of investigations involved.

4 So my question would be, for example, are these appropriate subjects for a Korean
5 Government investigation generally? Is it appropriate for the Korean Government to investigate a
6 data breach of 33 million by a hacker in violation of the Personal Information Protection Act?

7 A Yeah. And if that is what they had done, then I think that would be completely fine.
8 And that's what they did with SKT and with LG and with AliExpress, where they had one or two
9 relevant investigators -- relevant agencies come. They had KISA and the PIPC. In ours, it went
10 from 1 or 2 to 11.

11 Q Understood.

12 My question -- I'm going to keep going back to my specific question in terms of, is it generally
13 appropriate for a government -- the Korean Government to just investigate whether or not
14 fulfillment services fail to pay or do pay laborers, and can that be something that they investigate
15 generally? Is that a legitimate subject that the government should be investigating?

16 A I think, in isolation --

17 Q That's my question.

18 A -- sure.

19 Q Okay.

20 A In isolation.

21 Q Okay.

22 A And we've been regulated for years. Nothing has looked like this.

23 Q And, in isolation, the idea that the government might be investigating account-deletion
24 practices and wanting to consider whether it violates consumer protection laws, in isolation, is that a
25 legitimate basis for inquiry?

1 A It's a legitimate -- especially if they have actual evidence that they provide to us. In
2 these cases, most of them, they do not.

3 But, sure, in isolation, those are topics that a government should be able to regulate. And
4 we have no problem with that.

5 Q In isolation, is it appropriate for a government to be -- the Korean Government to be
6 looking at whether or not there is any abuse of sales data from retail partners in the process of
7 planning and launching a private label?

8 A Sure. In isolation, if it's a legitimate concern by the regulator and not directed by a
9 political actor to target and discriminate a company, sure.

10 That's not what we're dealing with here. I wish we were dealing with that here.

11 Q Understood.

12 A That's not what we're dealing with.

13 Q I am -- I'm trying to just --

14 A Yeah, but we have no problem with being regulated. We've --

15 Q Right. And --

16 A -- never had a problem with being regulated.

17 Q -- that was my question. That was my question about the -- so we don't want to go
18 through all of these. And I would just go back to the general question that I'd asked at the
19 beginning, which is: In isolation, as a general proposition, not with regard to the specifics about
20 how you believe Coupang has been treated in these instances, but as a general proposition, the areas
21 of investigation are legitimate, abstracted, as a general matter.

22 A As an abstract matter, there's a -- there is the potential for any of these, in isolation, to
23 be legitimate regulatory investigations.

24 Q Okay. Thank you. Thank you.

25 A Unfortunately, that's not what we're experiencing. Or it's just incredible luck that 11

1 different --

2 [Discussion off the record.]

3 BY [REDACTED]

4 Q So you paused -- previously, you mentioned that you paused investment in AI with
5 regard to the -- in the investment -- excuse me. I'm going to scratch that.

6 I have -- I want to turn to one more thing, and I'm hoping I could just -- you know, this might
7 even be a "yes" or "no" answer, although --

8 A I've been told that before.

9 Q I know you have. And that's why I smiled, let the record show, when I said it. And
10 now you're smiling back at me.

11 In your opinion, do you believe it is wrong for a government to use its power to target a
12 company and investigate them simply because it is foreign-owned?

13 A No. I don't believe that's legitimate.

14 Q So the answer is "yes."

15 A Yeah.

16 Q I want to just be clear. I said, "Do you believe it is wrong..."

17 A Yes, I believe it is wrong.

18 Q Okay.

19 Do you believe it is wrong for a politician or government to harass a specific company or
20 individual just to advance their own political agenda?

21 A Yes.

22 Q Should politicians be able to use their investigative powers to harass their enemies and
23 advance the interests of their friends?

24 A No, I don't personally believe so.

25 Q Is it wrong for a country's leader to demand companies bend to their personal will even

1 if it violates the law?

2 A I believe strongly in the rule of law and believe politicians should follow the rule of law
3 objectively and fairly.

4 Q Should we tolerate the variety of corruption that you're alleging with regard to abuse of
5 power, unfairness, harassment, and discrimination that you claim to experience in South Korea in the
6 United States?

7 A I don't believe this type of discrimination should exist anywhere. It certainly shouldn't
8 exist against American companies in foreign countries.

1 [4:54 p.m.]

2 BY [REDACTED]

3 Q Or in the United States?

4 A Or anywhere. Yeah.

5 Q Is it wrong for a government or national leader to prejudge issues in an attempt to
6 mislead the public and pressure agency outcomes?

7 A I believe so, yes.

8 Q Is it wrong for a government to create an environment of fear and to intimidate a -- is it
9 wrong for a government to create an environment of fear to intimidate a company or individual to
10 comply with what the company -- company or individual -- excuse me.

11 Is it wrong for the government to create an environment of fear so that they can intimidate a
12 company or individual, to force that company or individual to comply with unfair demands?

13 A Is that unfair?

14 Q Yes. Is --

15 A Yes.

16 Q -- that inappropriate?

17 A That is inappropriate, yes.

18 Q Okay. Thank you.

19 We have no further questions.

20 [REDACTED] We're done. Thank you. We'll go off the record.

21 [Discussion off the record.]

22 [REDACTED] We can go back on the record.

23 The Witness. Thank you.

24 There was one point about the investment into Korea that would be lost if we're -- if we're
25 run out of business. I think the other piece important for the American people that would be lost is

1 the over \$5 billion of American goods that we sell into Asia and the jobs that -- the hundreds of
2 thousands of jobs that that supports in the United States, which would be lost if the discrimination
3 against us is allowed to continue and run us out of business.

4 [REDACTED] Thank you.

5 We'll go off the record.

6 The Witness. Thank you.

7 [REDACTED] You're welcome.

8 [Whereupon, at 4:56 p.m., the deposition was concluded.]

Certificate of Deponent/Interviewee

I have read the foregoing ____ pages, which contain the correct transcript of the answers made by me to the questions therein recorded.

Witness Name

Date