DEFENSE

Agreement Between the
UNITED STATES OF AMERICA
and the REPUBLIC OF KOREA

Signed at Seoul June 9, 2005
NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966
(80 Stat. 271; 1 U.S.C. 113)—

“. . .the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof.”
REPUBLIC OF KOREA

Defense

Agreement signed at Seoul June 9, 2005;
Entered into force July 6, 2005.
AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA AND
THE REPUBLIC OF KOREA
CONCERNING SPECIAL MEASURES RELATING TO
ARTICLE V OF THE AGREEMENT UNDER ARTICLE IV
OF THE MUTUAL DEFENSE TREATY BETWEEN
THE REPUBLIC OF KOREA AND
THE UNITED STATES OF AMERICA REGARDING FACILITIES
AND AREAS AND THE STATUS OF UNITED STATES ARMED
FORCES IN THE REPUBLIC OF KOREA
The United States of America and the Republic of Korea (hereinafter referred to as "the Parties") have agreed to take the following special measures relating to Article V of the Agreement under Article IV of the Mutual Defense Treaty between the United States of America and the Republic of Korea regarding facilities and areas and the status of United States Armed Forces in the Republic of Korea (hereinafter referred to as "the Status of Forces Agreement"), signed at Seoul on July 9, 1966, as amended, which sets forth the principles on the sharing of expenditures incident to the maintenance of the United States Armed Forces in Korea:

**Article I**

The Republic of Korea shall bear, for the duration of this Agreement, as a special measure relating to Article V of the Status of Forces Agreement, an equitable part of the expenditures for the employment of Korean employees of the United States Armed Forces in Korea and of other expenditures associated with the stationing of the United States Armed Forces in Korea. The contribution of the Republic of Korea shall be categorized into Labor Cost Sharing, Republic of Korea Funded Construction, Combined Defense Improvement Projects and Logistics Cost Sharing.

**Article II**

The duration of this Agreement shall be two years. The cost-sharing contribution of the Republic of Korea for 2005 is 680.4 billion Korean Won. The second year's contribution shall be determined by increasing the contribution of 2005 by 3 percent (escalation rate) plus the inflation rate (Gross Domestic Product Deflator) published by the Korea National Statistical Office for the year before the previous year. Notwithstanding the preceding sentence, the United States of America agrees to waive for 2006 the escalation and inflation increases. Each year's Labor Cost Sharing Contributions shall be made in three equal payments on or before April 1, June 1 and August 1 of that year. Republic of Korea Funded Construction payments shall be made in two equal installments with 50 percent paid on March 1 of the program year and 50 percent paid one year later.
(March 1). Implementation of this Agreement shall be in accordance with a separate implementation arrangement between the concerned authorities of the Parties. Contributions shall consist of cash support for Labor Cost Sharing as well as a certain proportion of Republic of Korea Funded Construction, and in-kind support for Combined Defense Improvement Projects, Logistics Cost Sharing and a certain proportion of Republic of Korea Funded Construction.

All materials, supplies, equipment and services provided as part of the in-kind contribution shall be exempt from Republic of Korea taxes, or provided on an after-tax basis. Such materials, supplies, equipment, and services procured by the Government of the Republic of Korea shall be exempt from special excise taxes and value added taxes. In the case of value added taxes, the zero rate shall be applied. If taxes are levied against any such materials, supplies, equipment or services, payment of such taxes shall not be made from cost-sharing funding.

**Article III**

This Agreement shall enter into force upon exchange of written notification by the Parties that their respective domestic legal procedures necessary for the entry into force of this Agreement have been completed with effect from January 1, 2005, and shall remain in force until December 31, 2006.

**Article IV**

The Parties may consult on all matters regarding this Agreement through the Joint Committee provided for in Paragraph 1 of Article XXVIII of the Status of Forces Agreement, or through the Joint Cost-Sharing Committee, which is composed of representatives appointed by the Parties.
Article V

This Agreement may be revised or amended in writing by mutual consent. The revision or amendment of this Agreement shall enter into force on the date when the Parties exchange written notifications that their domestic legal requirements for such revision or amendment have been fulfilled.

IN WITNESS WHEREOF, the undersigned, duly authorized for the purpose, have signed this Agreement.

DONE at Seoul this 9th day of June 2005, in duplicate in the English and Korean languages, both texts being equally authentic.

FOR THE UNITED STATES OF AMERICA

FOR THE REPUBLIC OF KOREA
아메리카합중국과 대한민국 간의 상호방위조약 제4조에 의한 시설과 구역 및 대한민국에서의 합중국군대의 지위에 관한 협정 제5조에 대한 특별조치에 관한 미합중국과 대한민국 간의 협정
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현물지원의 일부로 제공되는 모든 물자·보급품·장비 및 용역은 대한민국의 조세로부터 면제되거나 납세후 금액을 기준으로 제공된다. 대한민국 정부가 조달하는 그러한 물자·보급품·장비 및 용역은 특별소비세 및 부가가치세가 면제된다. 부가가치세의 경우에는 영세율을 적용한다. 그러한 물자·보급품·장비 및 용역에 대하여 조세가 부과되는 경우 그러한 조세징부는 비용분담제원으로부터 이루어지지 아니한다.

제 3 조

이 협정은 당사국이 이 협정의 발효를 위하여 필요한 그들 각자의 국내법적 절차를 완료하였다는 서면통고를 교환함으로써, 2005년 1월 1일자로 발효하여 2006년 12월 31일까지 유효하다.

제 4 조

당사국은 주한미군지위협정 제28조제1항에 규정된 합동위원회나 당사국이 임명하는 대표로 구성되는 방위비분담공동위원회를 통하여 이 협정에 관한 모든 문제를 협의할 수 있다.

제 5 조

이 협정은 상호 합의에 의하여 서면으로 개정되거나 수정될 수 있다. 이 협정의 개정이나 수정은 당사국이 그러한 개정이나 수정을 위한 그들 각자의 국내법적 요건이 충족되었다는 서면통고를 교환하는 날에 발효한다.

이상의 중기로, 아래 서명자는 이 목적을 위하여 정당하게 권한을 위임받아 이 협정에 서명하였다.
2005년 6월 9일 서울에서 동등하게 정본인 영어 및 한국어로 각 2부를 작성하였다.

미합중국을 대표하여

대한민국을 대표하여

[Signatures]