MEMORANDUM OF UNDERSTANDING

Preferential Hiring of Korean Employees

and

Employment of Family Members

The United States of America and the Republic of Korea agree to the following:

1. United States Forces Korea (USFK) will employ exclusively Korean Nationals for those civilian component positions that have been designated by USFK for occupancy by Korean Nationals as of the date of entry into force of this Memorandum of Understanding. Although those positions may be open to dependents of the US armed forces and dependents of civilian component members, the dependents will be considered for the vacancies only when there are no Korean Nationals who are available and qualified as candidates. Positions designated for occupancy by Korean Nationals may be changed into positions for occupancy by others only for reasons of national security.

2. The Republic of Korea will positively consider giving employment permission to dependents of the US armed forces members and dependents of members of the civilian component stationed in the Republic of Korea while they are retaining their A-3 status after they enter Korea with an A-3 visa. Any of the eight employment status categories (E-1 through E-8) may be available to dependents of the members of the US armed forces and dependents of the civilian component as long as they meet employment requirements for a position stipulated by the Korean Immigration Law. Republic of Korea tax laws and regulations shall apply for any income not exempt from taxation under paragraph 2, of Article XIV of the United States-Republic of Korea Status of Forces Agreement (SOFA), as amended.

This Memorandum of Understanding shall enter into force one month after the date of a written notification from the Government of the Republic of Korea to the Government of the United States of America that it has approved this Memorandum of Understanding in accordance with its legal procedures.

DONE at Seoul this 18 day of January, 2001, in duplicate, in the English and Korean languages.

FOR THE UNITED STATES OF AMERICA:

[Signature]

FOR THE REPUBLIC OF KOREA:

[Signature]