

ACT ON PROMOTION OF DEVELOPMENT AND DISTRIBUTION OF ENVIRONMENT-FRIENDLY MOTOR VEHICLES

Act No. 7238, Oct. 22, 2004

Amended by Act No. 7949, Apr. 28, 2006

Act No. 8404, Apr. 27, 2007

Act No. 8852, Feb. 29, 2008

Act No. 9685, May 21, 2009

Act No. 9686, May 21, 2009

Act No. 10893, Jul. 21, 2011

Act No. 11690, Mar. 23, 2013

Act No. 12154, Jan. 1, 2014

Act No. 13871, Jan. 27, 2016

Act No. 14079, Mar. 22, 2016

Act No. 14315, Dec. 2, 2016

Article 1 (Purpose)

The purpose of this Act is to plan for the continuous development of the motor vehicle industry and for the improvement of living conditions of the citizens and to contribute to the national economy by establishing and implementing a comprehensive plan and policy to promote the development and distribution of environment-friendly motor vehicles.

Article 2 (Definitions)

The terms used in this Act shall be defined as follows: <Amended by Act No. 11690, Mar. 23, 2013; Act No. 14315, Dec. 2, 2016>

1. The term "motor vehicle" means a motor vehicle or construction machinery falling under any of the following items, prescribed by Presidential Decree:

- (a) A motor vehicle defined in subparagraph 1 of Article 2 of the Motor Vehicle Management Act;
- (b) Construction machinery defined in subparagraph 1 of Article 2 of the Construction Machinery Management Act;

2. The term "environment-friendly motor vehicle" means an electric vehicle, solar-powered vehicle, hybrid vehicle, fuel cell vehicle, or a vehicle that meets the environmental standards set by Ordinance of the Ministry of Trade, Industry and Energy among vehicles subject to permissible emission limits

prescribed in Article 46 (1) of the Clean Air Conservation Act, and which is publicly announced by the Minister of Trade, Industry and Energy after consultation with the Minister of Environment, among the motor vehicles meeting the following requirements:

- (a) Its energy efficiency shall meet the standards prescribed by Ordinance of the Ministry of Trade, Industry and Energy;
 - (b) It shall meet the standards for low-emission motor vehicles prescribed by Ordinance of the Ministry of Environment in accordance with subparagraph 6 of Article 2 of the Special Act on the Improvement of Air Quality in Seoul Metropolitan Area;
 - (c) Its technical specifications, such as the performance of a motor vehicle, shall meet the standards prescribed by Ordinance of the Ministry of Trade, Industry and Energy;
3. The term "electric vehicle" means a motor vehicle that uses electric energy charged up from an electric power supply as its power source;
4. The term "solar-powered vehicle" means a motor vehicle that uses solar energy as its power source;
5. The term "hybrid vehicle" means a motor vehicle that uses a combination of gasoline, diesel fuel, liquefied petroleum gas, natural gas or fuel prescribed by Ordinance of the Ministry of Trade, Industry and Energy and electric energy (including electric energy charged from an electric power supply) as its power source;
6. The term "fuel cell vehicle" means a motor vehicle that uses electric energy generated by using hydrogen as its power source;
- 7 and 8. Deleted; <by Act No. 14315, Dec. 2, 2016>;
9. The term "hydrogen-fuel supply facility" means a facility that supplies hydrogen to fuel cell vehicles.

Article 3 (Master Plans for Development, etc. of Environment-Friendly Motor Vehicles)

(1) The Minister of Trade, Industry and Energy shall establish a master plan to promote the development and distribution of environment-friendly motor vehicles (hereinafter referred to as "master plan") every five years. In such cases, he/she shall hear the opinions of the heads of relevant central administrative agencies, such as the Minister of Environment, and the Special Metropolitan City Mayor, a Metropolitan City Mayor, Do Governor, or the Governor of a Special Self-Governing Province (hereinafter referred to as a "Mayor/Do Governor"), as prescribed by Presidential Decree. <Amended by Act No. 11690, Mar. 23, 2013>

(2) Master plans shall contain the following:

- 1. Basic direction-setting for the development and distribution of environment-friendly motor vehicles;
- 2. Medium- and long-term goals for the development and distribution of environment-friendly motor vehicles;
- 3. Matters concerning the research and development of environment-friendly motor vehicles and the construction of infrastructure relating to the research and development thereof;
- 4. Matters concerning the construction of infrastructure necessary to distribute the power sources of motor vehicles, such as hydrogen-fuel supply facilities;

5. Other matters necessary for the development and distribution of environment-friendly motor vehicles.
- (3) Master plans shall be finalized after deliberation by the State Council: Provided, That where insignificant matters prescribed by Presidential Decree are to be revised, such as a partial revision of direction set for projects to develop detailed technologies related to environment-friendly motor vehicles, no deliberation on such modification by the State Council is required.
- (4) The head of a relevant central administrative agency may, where deemed necessary, request the Minister of Trade, Industry and Energy to revise the master plans. In such cases, the Minister of Trade, Industry and Energy shall hear the opinions of the heads of other relevant central administrative agencies and the relevant Mayor/Do Governor if he/she intends to revise them. *<Amended by Act No. 11690, Mar. 23, 2013>*
- (5) Paragraph (3) shall apply mutatis mutandis to any revision of master plans under paragraph (4).

Article 4 (Implementation Plans for Development of Environment-Friendly Motor Vehicles)

- (1) In order to implement the master plans, the Minister of Trade, Industry and Energy shall establish and promote an implementation plan for the development of environment-friendly motor vehicles (hereinafter referred to as "implementation plan for development") each year upon hearing the opinions of the heads of relevant central administrative agencies, as prescribed by Presidential Decree. *<Amended by Act No. 11690, Mar. 23, 2013>*
- (2) Implementation plans for development shall include the following:
1. Priority field of technology development;
 2. Main goals of promotion in each field of technology development;
 3. Schedule and methods of promotion of technology development;
 4. Matters concerning construction of infrastructure necessary for the efficient promotion of technology development projects;
 5. Other matters necessary for technology development.

Article 5 (Implementation Plans, etc. for Distribution of Environment-Friendly Motor Vehicles)

- (1) In order to implement the master plans, the Minister of Environment shall establish and promote an implementation plan for the distribution of environment-friendly motor vehicles (hereinafter referred to as "implementation plan for distribution") each year upon hearing the opinions of the heads of relevant central administrative agencies and of the relevant Mayor/Do Governor, as prescribed by Presidential Decree. In such cases, the Minister of Environment shall consult with the Minister of Trade, Industry and Energy on the distribution of environment-friendly motor vehicles. *<Amended by Act No. 11690, Mar. 23, 2013>*
- (2) Implementation plans for distribution shall include the following:
1. Target areas in which environment-friendly motor vehicles are to be distributed;
 2. Models of environment-friendly motor vehicles and quantity to be supplied of each model;
 3. Matters concerning construction of infrastructure, such as hydrogen-fuel supply facilities;

4. Matters concerning funding plans and financial assistance standards;
 5. Matters necessary for the distribution of environment-friendly motor vehicles.
- (3) Each Mayor/Do Governor shall establish and implement a policy to accelerate the distribution of environment-friendly motor vehicles in accordance with master plans and implementation plans for distribution.

Article 6 (Technology Development Support Policies)

(1) In order to accelerate technology development related to environment-friendly motor vehicles, the State may establish and promote support policies for the following matters:

1. Collecting and providing information on development of environment-friendly motor vehicle technology at home and abroad;
 2. Research and development and other activities concerning core environment-friendly motor vehicle technologies.
- (2) The Minister of Trade, Industry and Energy may require any of the following entities to conduct research and development projects on environment-friendly motor vehicles in order to promote technology development pursuant to paragraph (1): *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 14079, Mar. 22, 2016>*

1. National or public research institutes;
2. Research institutes established under Article 8 of the Act on the Establishment, Operation and Fostering of Government-Funded Science and Technology Research Institutes, Etc.;
3. Specific research institutes defined in Article 2 of the Specific Research Institutes Support Act;
4. Specialized manufacturing technology institutes under Article 42 of the Industrial Technology Innovation Promotion Act;
5. Industrial technology research cooperatives under the Industrial Technology Research Cooperatives Support Act;
6. Universities, colleges, industrial colleges, junior colleges or technical colleges defined in Article 2 of the Higher Education Act;
7. Research institutes attached to enterprises under Article 14-2 (1) of the Basic Research Promotion and Technology Development Support Act;
8. Agencies, organizations or business entities relating to environment-friendly motor vehicles, as prescribed by Presidential Decree.

Article 7 (Promotion of Projects to Form Foundation for Technology)

In order to efficiently promote the technology development related to environment-friendly motor vehicles pursuant to Article 6 (1), the State may promote the following projects to form a foundation for technology:

1. Projects for forming a foundation for technology;
2. Projects for international technological cooperation;

3. Projects for nurturing industrial technical human resources;
4. Other projects prescribed by Presidential Decree.

Article 8 (Support for Fuel Manufacturers, etc.)

- (1) The State or local governments may provide necessary funds, etc. to those who manufacture, supply or sell hydrogen which is the fuel for fuel-cell vehicles, or those who intend to install a hydrogen-fuel supply facility.
- (2) Matters necessary for the standards, method, etc. of providing funds, etc. pursuant to paragraph (1) shall be prescribed by Presidential Decree.

Article 9 Deleted. <by Act No. 9686, May 21, 2009>

Article 10 (Support for Purchasers or Owners of Environment-Friendly Motor Vehicles)

The State or local governments may provide the purchasers or owners of environment-friendly motor vehicles with necessary support.

Article 10-2 (Obligation of Public Institutions to Purchase Environment-Friendly Motor Vehicles)

- (1) When buying or leasing a vehicle for business use, the head of a public institution under the Act on the Management of Public Institutions and the head of a local public enterprise under the Local Public Enterprises Act shall make sure that environment-friendly motor vehicles account for at least a certain proportion of all vehicles purchased or leased, as prescribed by Presidential Decree.
- (2) The Minister of Trade, Industry and Energy may make public a list of public institutions and local public enterprises that have failed to fulfill their obligations of purchase prescribed in paragraph (1).

Article 11 (Support for Operation of Environment-Friendly Motor Vehicles)

- (1) Mayors/Do Governors may require each owner of an environment-friendly motor vehicle to place an eco-friendly motor vehicle mark outside his/her vehicle to make the mark easily noticeable.
- (2) The State and local governments shall prepare necessary support measures for motor vehicles bearing the mark referred to in paragraph (1).
- (3) Matters necessary for the specification, etc. of the mark referred to in paragraph (1) shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 11690, Mar. 23, 2013>

Article 11-2 (Charging Facilities, etc. for Environment-Friendly Motor Vehicles)

(1) The owner or manager of any of the following facilities prescribed by the relevant statutes and Presidential Decree shall install charging facilities for environment-friendly motor vehicles at the relevant facilities, as prescribed by Presidential Decree:

1. Public buildings and public-use facilities;
2. Multi-family housing;
3. Parking areas established by the Special Metropolitan City Mayor or a Metropolitan City Mayor, a Do Governor or a Special Self-Governing Province Governor, a Metropolitan Autonomous City Mayor, or the head of a Si/Gun/Gu;
4. Other buildings and facilities that need to have a charging facility installed to encourage the widespread use of environment-friendly motor vehicles, and any other facilities incidental thereto.

- (2) The types and numbers of charging facilities required to be installed at each facility shall be determined by Presidential Decree, in consideration of the size and purpose of use of the relevant facility.
- (3) The State and local governments may devise necessary measures, such as financial and technical assistance, in order to reduce the private sector's burden of installing charging facilities and to facilitate installation.

Article 12 (Publicity of Environment-Friendly Motor Vehicles)

The State or local governments may request organizations, etc. relating to motor vehicles to perform publicity activities necessary for expanding the distribution of environment-friendly motor vehicles.

Article 13 (Funding Resources)

Funds necessary to provide support prescribed in Articles 6 through 8, 10, 11 (2), and 11-2 (3) may be provided from the following financial resources: *<Amended by Act No. 10893, Jul. 21, 2011; Act No. 12154, Jan. 1, 2014; Act No. 13871, Jan. 27, 2016>*

1. Special accounts for projects related to energy and resources under the Act on the Special Accounts for Energy and Resources-Related Projects;
2. Funds for Small and Medium Enterprise Establishment and Promotion under Article 63 of the Small and Medium Enterprises Promotion Act;
3. Special accounts for environmental improvement under the Framework Act on Environmental Policy.

Article 14 (Requests, etc. for Provision of Data)

(1) Where deemed necessary to establish a master plan and an implementation plan for development, the Minister of Trade, Industry and Energy may request a relevant administrative agency and an agency or organization related to environment-friendly motor vehicles to provide necessary data or to present its opinions, etc. In such cases, upon receipt of such request, a relevant administrative agency and an agency or organization related to environment-friendly motor vehicles shall comply with such request, except in extenuating circumstances. *<Amended by Act No. 11690, Mar. 23, 2013>*

(2) Where deemed necessary to establish an implementation plan for distribution, the Minister of Environment may request Mayors/Do Governors to provide data on the outcomes, etc. of promotion of distribution of environment-friendly motor vehicles. In such cases, the Mayors/Do Governors shall comply with such request, except in extenuating circumstances.

Article 15 (Entrustment of Administrative Affairs)

The State or local governments may entrust the following administrative affairs to a relevant specialized agency:

1. Administrative affairs, such as assessment and management of projects necessary for promoting the projects prescribed in Articles 6 and 7;
2. Administrative affairs necessary for support prescribed in Article 10 and 11 (2);
3. Some of other administrative affairs prescribed by this Act, as prescribed by Presidential Decree.

ADDENDUM

This Act shall enter into force six months after the date of its promulgation.

ADDENDA <Act No. 7949, Apr. 28, 2006>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Articles 2 through 7 Omitted.

ADDENDA <Act No. 8404, Apr. 27, 2007>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 14 Omitted.

ADDENDA <Act No. 8852, Feb. 29, 2008>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Act No. 9685, May 21, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Articles 2 through 8 Omitted.

ADDENDUM <Act No. 9686, May 21, 2009>

This Act shall enter into force on the date of its promulgation.

ADDENDA <Act No. 10445, Mar. 9, 2011>

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation.

Articles 2 through 4 Omitted.

ADDENDUM <Act No. 10718, May 24, 2011>

This Act shall enter into force on the date of its promulgation: Provided, That the amended provision of Article 6 (2) 7 shall enter into force on June 10, 2011.

ADDENDA <Act No. 10893, Jul. 21, 2011>

Article 1 (Enforcement Date)

This Act shall enter into force one year after the date of its promulgation.

Articles 2 through 6 Omitted.

ADDENDA <Act No. 11690, Mar. 23, 2013>

Article 1 (Enforcement Date)

(1) This Act shall enter into force on the date of its promulgation.

(2) Omitted.

Articles 2 through 7 Omitted.

ADDENDA <Act No. 12154, Jan. 1, 2014>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation.

Article 2 Omitted.

ADDENDUM <Act No. 13871, Jan. 27, 2016>

This Act shall enter into force three months after the date of its promulgation.

ADDENDA <Act No. 14079, Mar. 22, 2016>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Articles 2 and 3 Omitted.

ADDENDUM <Act No. 14315, Dec. 2, 2016>

This Act shall enter into force six months after the date of its promulgation.