

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

Presidential Decree No. 18795, Apr. 22, 2005
Amended by Presidential Decree No. 19513, jun. 12, 2006
Presidential Decree No. 20678, Feb. 29, 2008
Presidential Decree No. 20977, Aug. 26, 2008
Presidential Decree No. 21087, Oct. 20, 2008
Presidential Decree No. 24442, Mar. 23, 2013
Presidential Decree No. 26439, Jul. 24, 2015
Presidential Decree No. 27295, jun. 30, 2016
Presidential Decree No. 28546, Dec. 29, 2017

Article 1 (Purpose)

The purpose of this Decree is to provide for matters delegated by the Act on Promotion of Development and Distribution of Environment-Friendly Motor Vehicles and matters necessary for the enforcement thereof. *<Amended by Presidential Decree No. 28546, Dec. 29, 2017>*

Article 2 (Types of Motor Vehicles)

"Motor vehicle prescribed by Presidential Decree" in subparagraph 1 of Article 2 of the Act on Promotion of Development and Distribution of Environment-Friendly Motor Vehicles (hereinafter referred to as the "Act") shall be as follows: *<Amended by Presidential Decree No. 28546, Dec. 29, 2017>*

1. Passenger vehicles, motor vehicles for passengers and freight, freight motor vehicles, and special motor vehicles under Article 3 (1) of the Motor Vehicle Management Act: Provided, That the foregoing shall not apply to towed motor vehicles under the main sentence of subparagraph 1 of Article 2 of the Motor Vehicle Management Act;
2. Dump trucks, concrete mixing transport trucks, and concrete pumps under Article 2 of the Enforcement Decree of the Construction Machinery Management Act.

Articles 3 through 8 Deleted. *<by Presidential Decree No. 21087, Oct. 20, 2008>*

Article 9 (Procedures for Formulation and Modification of Master Plans)

(1) Where the Minister of Trade, Industry and Energy intends to hear opinions from the heads of related central administrative agencies, such as the Minister of Environment, and the Special Metropolitan City Mayor, Metropolitan City Mayors, or Do Governors (hereinafter referred to as "Mayors/Do Governors")

on a master plan for the promotion of development and distribution of environment-friendly motor vehicles (hereinafter referred to as "master plan") under the former part of Article 3 (1) of the Act, pursuant to the latter part of the aforesaid paragraph, he/she shall notify the heads of related central administrative agencies, such as the Minister of Environment, and Mayors/Do Governors, of data concerning the formulation schedule and details of a master plan and shall request for submission of their opinions. In such cases, the heads of the related central administrative agencies, such as the Minister of Environment, and the Mayors/Do Governors shall submit their opinions on the master plan to the Minister of Trade, Industry and Energy in writing within two months from the date they are requested to do so.

<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 21087, Oct. 20, 2008; Presidential Decree No. 24442, Mar. 23, 2013>

(2) Where a master plan is finalized pursuant to the main sentence of Article 3 (3) of the Act, the Minister of Trade, Industry and Energy shall notify the heads of related central administrative agencies, such as the Minister of Environment, and Mayors/Do Governors, of the finalized master plan. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

(3) Paragraphs (1) and (2) shall apply mutatis mutandis where a master plan is modified pursuant to Article 3 (4) and (5) of the Act. In such cases, "on a master plan" shall be deemed "on the modification of a master plan," "formulation schedule" shall be deemed "modification schedule," and "where a master plan is finalized" shall be deemed "where the modification of a master plan is finalized."

Article 10 (Minor Modifications to Master Plans)

"Where minor matters prescribed by Presidential Decree are to be modified" in the proviso to Article 3 (3) of the Act means any of the following cases: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

1. Where a modification is made to increase or reduce, by up to 10/100, subsidies based on the policies included in a master plan, such as a policy on technology development support for, and a policy on projects to form foundation for technology of, environment-friendly motor vehicles and a policy on promotion of distribution of such vehicles;
2. Where a modification is made to other matters determined and publicly notified by the Minister of Trade, Industry and Energy, which do not have an effect on the basic direction of the master plan.

Article 11 (Procedures for Formulation of Implementation Plans for Development of Environment-Friendly Motor Vehicles)

(1) The Minister of Trade, Industry and Energy shall formulate an implementation plan for the development of environment-friendly motor vehicles (hereinafter referred to as "implementation plan for development") under Article 4 of the Act before the date of commencement of each fiscal year. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

(2) Article 9 (1) and (2) shall apply mutatis mutandis to cases falling under paragraph (1). In such cases, a "master plan" shall be deemed an "implementation plan for development", and the "heads of related central administrative agencies, such as the Minister of Environment" shall be deemed the "heads of

related central administrative agencies."

Article 12 (Matters to Be Added in Technology Development Field in Implementation Plans for Development)

"Other matters necessary for technology development" in Article 4 (2) 5 of the Act means the following:

<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>

1. Matters concerning a plan for the dissemination of technology development outcomes;
2. Other matters the Minister of Trade, Industry and Energy deems necessary for the technology development of environment-friendly motor vehicles.

Article 13 (Procedures for Formulation of Implementation Plans for Distribution of Environment-Friendly Motor Vehicles)

(1) The Minister of Environment shall formulate and publicly notify an implementation plan for the distribution of environment-friendly motor vehicles (hereinafter referred to as "implementation plan for distribution") under Article 5 of the Act, before the date of commencement of each fiscal year.

(2) The Minister of Environment may request the heads of related central administrative agencies and Mayors/Do Governors to submit their opinions on an implementation plan for distribution. In such cases, the heads of related central administrative agencies and the Mayors/Do Governors shall submit their opinions on an implementation plan for distribution to the Minister of Environment in writing within two months from the date they are requested to do so.

Article 14 (Procedures for Formulation of Policies on Promotion of Distribution and Details Thereof)

(1) Mayors/Do Governors shall formulate a policy on the promotion of the distribution of environment-friendly motor vehicles (hereinafter referred to as "policy on the promotion of distribution") under Article 5 (3) of the Act and shall submit such policy to the Minister of Environment within three months after an implementation plan for distribution is publicly notified.

(2) A policy on the promotion of distribution shall include the following:

1. An environment-friendly motor vehicle purchase plan and the results of the purchase thereof;
2. A plan for the establishment of infrastructure necessary for the distribution of power sources for environment-friendly motor vehicles, such as facilities that supply hydrogen fuel under Article 17;
3. A plan to raise funds and a plan to provide financial support, for the implementation of matters referred to in subparagraphs 1 and 2;
4. Other matters the Minister of Environment deems necessary for the distribution of environment-friendly motor vehicles and publicly notifies.

Article 15 (Policies on Technology Development Support, etc.)

(1) Where the Minister of Trade, Industry and Energy formulates a support policy (hereinafter referred to as "technology development support policy") under Article 6 (1) of the Act, he/she shall publicly announce the policy. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

(2) The Minister of Trade, Industry and Energy shall prescribe and publicly notify the operational regulations concerning technology development support policies. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

(3) "Persons prescribed by Presidential Decree" in Article 6 (2) 8 of the Act means persons prescribed by the Minister of Trade, Industry and Energy, from among business entities that develop technology related to environment-friendly motor vehicles and are venture businesses under Article 2 of the Act on Special Measures for the Promotion of Venture Businesses. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

Article 16 (Plans for Implementation of Projects to Form Foundation for Technology)

(1) Where the Minister of Trade, Industry and Energy formulates a plan to implement projects to form a foundation for technology (hereinafter referred to as "plan for the implementation of projects to form a foundation for technology") under Article 7 of the Act, he/she shall publicly announce such plan. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

(2) The Minister of Trade, Industry and Energy shall prescribe and publicly notify the operational regulations concerning projects to form a foundation for technology under Article 7 of the Act. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

(3) "Other projects prescribed by Presidential Decree" in subparagraph 4 of Article 7 of the Act means the following projects: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

1. A project to form a foundation for the promotion of regional industries concerning environment-friendly motor vehicles;
2. A project to develop parts and materials concerning environment-friendly motor vehicles;
3. A new technology venture incubation project related to environment-friendly motor vehicles;
4. Other projects the Minister of Trade, Industry and Energy deems necessary to form a foundation for technology concerning environment-friendly motor vehicles.

Article 17 (Details, etc. of Support to Hydrogen Fuel Producers, etc.)

(1) The heads of related central administrative agencies or Mayors/Do Governors may provide the following kinds of support to persons (hereinafter referred to as "hydrogen fuel producers, etc.") who intend to produce, supply, or sell hydrogen that is fuel (hereinafter referred to as "hydrogen fuel") for fuel cell vehicles, or to construct a hydrogen fueling station, pursuant to Article 8 of the Act: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

1. Financial support for the adjustment of the selling price of hydrogen fuel;
2. Providing loans or helping provide loans for the expenses of constructing a hydrogen fueling station;
3. Providing or helping provide a site for constructing a hydrogen fueling station;
4. Financial support for the development of hydrogen fuel production technology, such as improvements in the production process of hydrogen fuel;

5. Other matters necessary for providing support to hydrogen fuel producers, etc. that are jointly prescribed and publicly notified by the Minister of Trade, Industry and Energy and the Minister of Environment.

(2) Where a person who produces, supplies, or sells hydrogen fuel intends to receive support under Article 17 (1) 1, he/she shall submit an application for support to the head of the related central administrative agency or the relevant Mayor/Do Governor, along with documents showing the selling price of hydrogen fuel.

(3) Where a person who intends to construct a hydrogen fueling station intends to receive support under Article 17 (1) 2, he/she shall submit an application for support to the Minister of Environment, along with a business plan specifying the amount of funds necessary for constructing a hydrogen fueling station and grounds for the calculation thereof.

(4) In addition to matters under paragraphs (2) and (3), necessary matters concerning standards for, methods of, procedures for, and the amount of, support under paragraph (1) shall be jointly prescribed and publicly notified by the Minister of Trade, Industry and Energy and the Minister of Environment, after hearing from the heads of related central administrative agencies and Mayors/Do Governors. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 24442, Mar. 23, 2013>*

Article 18 (Support to Purchasers of Environment-Friendly Motor Vehicles)

(1) The head of related central administrative agencies or Mayors/Do Governors may provide the following support to purchasers of environment-friendly motor vehicles pursuant to Article 10 of the Act:

1. Wholly or partially subsidizing the difference between the selling price of an environment-friendly motor vehicle and that of a motor vehicle which is not an environment-friendly motor vehicle;
2. Providing a loan or helping provide a loan for the purchase of an environment-friendly motor vehicle;
3. Other matters the heads of related central administrative agencies or Mayors/Do Governors deem necessary to promote the purchase of environment-friendly motor vehicles and publicly notify.

(2) Details concerning standards for, methods of, procedures for, and the amount of, support under paragraph (1) shall be prescribed and publicly notified by the Minister of Environment, after hearing from the heads of related central administrative agencies and Mayors/Do Governors.

Article 18-2 (Percentage of Purchase of Environment-Friendly Motor Vehicles)

(1) Where the head of a public institution under the Act on the Management of Public Institutions (hereinafter referred to as "public institution") and a local public enterprise under the Local Public Enterprises Act (hereinafter referred to as "local public enterprise") makes a purchase of, or holds a lease on, (hereinafter referred to as "purchase") motor vehicles for business pursuant to Article 10-2 (1) of the Act, he/she shall purchase environment-friendly motor vehicles at least 70/100 of motor vehicles purchased per year. In such cases, at least 80/100 of the environment-friendly motor vehicles purchased shall be electric vehicles or fuel cell vehicles. *<Amended by Presidential Decree No. 28546, Dec. 29, 2017>*

(2) Notwithstanding paragraph (1), the head of a public institution or local public enterprise need not purchase environment-friendly motor vehicles in consultation with the Minister of Trade, Industry and

Energy, in any of the following cases:

1. Where the total number of the motor vehicles for business he/she owns, including motor vehicles newly purchased in the relevant year, is not more than five;
 2. Where he/she purchases a motor vehicle for passengers and freight referred to in Article 3 (1) 2 of the Motor Vehicle Management Act or a special motor vehicle referred to in subparagraph 4 of the aforesaid paragraph;
 3. Where he/she purchases a motor vehicle for purposes for which it is inappropriate to use an environment-friendly motor vehicle, such as purposes of transporting cargo.
- (3) The rule of rounding to decimal places shall apply to the calculation of the number of environment-friendly motor vehicles, environment-friendly motor vehicles that are electric vehicles, and environment-friendly motor vehicles that are fuel cell vehicles under paragraph (1).

Article 18-3 (Publication of Violations)

(1) The head of each public institution and each local public enterprise that should purchase environment-friendly motor vehicles pursuant to Article 10-2 (1) of the Act shall submit the results of the purchase of environment-friendly motor vehicles to the Minister of Trade, Industry and Energy, within three months after each fiscal year ends.

(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 to purchase environment-friendly motor vehicles on the following Internet websites or in the following regular daily newspapers, pursuant to Article 10-2 (2) of the Act:

1. An Internet website operated by a provider of web portal services (services that provide search results for other internet protocol addresses, information, etc., and email, communities, etc.) falling under a provider of information and communications services defined in Article 2 (1) 3 of the Act on Promotion of Information and Communications Network Utilization and Information Protection, Etc., the average daily user number of which is at least ten million for the three months immediately preceding the end of the year before the year in which the date of publication falls;
2. A general daily newspaper registered for nationwide circulation pursuant to Article 9 (1) of the Act on the Promotion of Newspapers, Etc.

Article 18-4 (Facilities, etc. Required to Be Equipped with Charging Facilities)

"Facilities prescribed by Presidential Decree" in Article 11-2 (1) of the Act means the following facilities which are prescribed by ordinance of the Special Metropolitan City, a Metropolitan City, a Special Self-Governing City, a Do, or a Special Self-Governing Province in consideration of the current status of the distribution of, a plan for the distribution of, and the current status of the operation of, electric vehicles and the road conditions, among facilities with at least 100 parking bays defined in subparagraph 7 of Article 2 of the Parking Lot Act:

1. The following facilities among buildings for a specific use under Article 3-5 and attached Table 1 of the Enforcement Decree of the Building Act, which are public buildings and public facilities:

- (a) Class 1 neighborhood living facilities;
- (b) Class 2 neighborhood living facilities;
- (c) Cultural and convention facilities;
- (d) Sales facilities;
- (e) Transportation facilities;
- (f) Medical facilities;
- (g) Education and research facilities;
- (h) Sports facilities;
- (i) Commercial facilities;
- (j) Accommodation facilities;
- (k) Amusement facilities;
- (l) Facilities related to motor vehicles;
- (m) Broadcasting and communications facilities;
- (n) Power generation facilities;
- (o) Tourist recreational and relaxation facilities;

2. The following facilities among multi-family housing under Article 3-5 and subparagraph 2 of attached Table 1 of the Enforcement Decree of the Building Act:

- (a) An apartment building consisting of at least 500 units;
- (b) A dormitory;

3. A parking lot defined in subparagraph 1 of Article 2 of the Parking Lot Act built by Mayors/Do Governors, the Special Self-Governing Province Governor, the Special Self-Governing City Mayor, or the heads of Sis/Guns/Gus.

Article 18-5 (Types and Number of Charging Facilities)

(1) Charging facilities under Article 11-2 (2) of the Act shall be any of the following facilities:

- 1. Fast charging facilities: Facilities that charge electric vehicle batteries by variably supplying not less than 100 volt but not more than 450 volt DC or 380 volt AC through the charging cable connected to a charger;
- 2. Slow charging facilities: Facilities that charge electric vehicle batteries by supplying 220 volt AC through the charging cable connected to a charger.

(2) Details concerning the installation of charging facilities, such as the number of charging facilities to be installed in facilities under subparagraphs 1 and 2 of Article 18-4, shall be prescribed by ordinance of the Special Metropolitan City, a Metropolitan City, a Special Self-Governing City, a Do, or a Special Self-Governing Province in consideration of the current status of the distribution of, a plan for the distribution of, and the current status of the operation of, electric vehicles and the road conditions.

(3) The number of charging facilities to be installed in a parking lot under subparagraph 3 of Article 18-4 shall be at least the number obtained by dividing the total number of parking bays in the parking lot by 200.

(4) The rule of rounding to decimal places shall apply to the calculation of the number of charging facilities installed under paragraphs (2) and (3).

Article 19 (Institutions Conducting Advertising Activities)

"Organizations, etc. relating to motor vehicles" in Article 12 of the Act means the following institutions:
<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 20977, Aug. 26, 2008; Presidential Decree No. 24442, Mar. 23, 2013; Presidential Decree No. 26439, Jul. 24, 2015>

1. Persons referred to in the subparagraphs of Article 6 (2) of the Act;
2. The Korea Energy Agency under Article 45 (1) of the Energy Use Rationalization Act;
3. The Eco-Friendly Products Promotion Agency established pursuant to Article 13 of the Act on the Encouragement of Purchase of Environment-Friendly Products;
4. Other organizations related to motor vehicles and clean air conservation that are prescribed and publicly notified by the Minister of Trade, Industry and Energy or the Minister of Environment.

Article 20 (Types and Reporting of Entrusted Affairs)

- (1) "Relevant specialized agency" in the main sentence of Article 15 of the Act means a person referred to in the subparagraphs of Article 6 (2) of the Act.
- (2) "Affairs prescribed by Presidential Decree" in subparagraph 3 of Article 15 of the Act means affairs concerning standards for the energy efficiency ratio under subparagraph 2 (a) of Article 2 of the Act.
- (3) The heads of related central administrative agencies or Mayors/Do Governors may require a relevant specialized agency entrusted with affairs pursuant to Article 15 of the Act to report the result of such affairs conducted.

ADDENDUM

This Decree shall enter into force on April 23, 2005.

ADDENDA <Presidential Decree No. 19513, Jun. 12, 2006>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 1, 2006.

Articles 2 through 4 Omitted.

ADDENDA <Presidential Decree No. 20678, Feb. 29, 2008>

Article 1 (Enforcement Date)

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

Articles 2 through 7 Omitted.

ADDENDA <Presidential Decree No. 20977, Aug. 26, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on August 28, 2008.

Articles 2 through 5 Omitted.

ADDENDA <Presidential Decree No. 21087, Oct. 20, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation: Provided, That Article 10 shall enter into force on November 1, 2008; Articles 24 through 26 on January 1, 2010; Article 29 on July 1, 2009; and Article 48 on January 1, 2013.

Article 2 (Transitional Measures following Amendment to the Decree on Disciplinary Action against Public Officials)

(1) The First Central Disciplinary Committee and the Second Central Disciplinary Committee under the previous Decree on Disciplinary Action against Public Officials before it was amended as at the time this Decree enters into force, shall be deemed the Central Disciplinary Committee under this Decree.

(2) Written requests for disciplinary action which were received by the First Central Disciplinary Committee and the Second Central Disciplinary Committee pursuant to the previous Decree on Disciplinary Actions against Public Officials before it was amended as at the time this Decree enters into force, shall be deemed received by the Central Disciplinary Committee pursuant to this Decree.

(3) Resolutions passed by the First Central Disciplinary Committee and the Second Central Disciplinary Committee pursuant to the previous Decree on Disciplinary Actions against Public Officials before it was amended as at the time this Decree enters into force, shall be deemed those passed by the Central Disciplinary Committee under this Decree.

(4) The members of the Second Central Disciplinary Committee under the previous Decree on Disciplinary Actions against Public Officials before it was amended as at the time this Decree enters into force, shall be deemed appointed or commissioned as the members of the Central Disciplinary Committee pursuant to this Decree.

Article 3 (Transitional Measures following Amendment to the Enforcement Decree of the Framework Act on Logistics Policies)

Matters conducted by the Minister of Land, Transport and Maritime Affairs following deliberation and resolution of the Logistics Administrators Examination Committee under the previous Enforcement Decree of the Framework Act on Logistics Policies before it was amended as at the time this Decree enters into force, shall be deemed conducted by the Minister of Land, Transport and Maritime Affairs under this Decree.

Article 4 Omitted.

ADDENDA <Presidential Decree No. 24442, Mar. 23, 2013>

Article 1 (Enforcement Date)

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

Articles 2 through 12 Omitted.

ADDENDA <Presidential Decree No. 26439, Jul. 24, 2015>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 29, 2015.

Article 2 Omitted.

ADDENDA <Presidential Decree No. 27295, Jun. 30, 2016>

Article 1 (Enforcement Date)

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

Article 2 (Special Cases concerning Purchase of Environment-Friendly Motor Vehicles, etc. Which Are Electric Vehicles)

(1) Notwithstanding the former part of amended Article 18-2 (1), in the case of 2016, at least 50/100 of motor vehicles purchased from the enforcement date of this Decree to December 31, 2016 shall be environment-friendly motor vehicles.

(2) Notwithstanding the latter part of amended Article 18-2 (2), in the case of 2016, at least 50/100 of environment-friendly motor vehicles that should be purchased pursuant to paragraph (1) may be environment-friendly motor vehicles that are electric vehicles or fuel cell vehicles.

ADDENDUM <Presidential Decree No. 28546, Dec. 29, 2017>

This Decree shall enter into force on January 1, 2018.

