

# PETROLEUM AND ALTERNATIVE FUEL BUSINESS ACT

Wholly Amended by Act No. 7240, Oct. 22, 2004

Amended by Act No. 7428, Mar. 31, 2005

Act No. 7755, Dec. 23, 2005

Act No. 8237, Jan. 11, 2007

Act No. 8399, Apr. 27, 2007

Act No. 8765, Dec. 21, 2007

Act No. 8768, Dec. 21, 2007

Act No. 8852, Feb. 29, 2008

Act No. 9231, Dec. 26, 2008

Act No. 9370, Jan. 30, 2009

Act No. 10219, Mar. 31, 2010

Act No. 10246, Apr. 12, 2010

Act No. 10353, jun. 8, 2010

Act No. 10958, Jul. 25, 2011

Act No. 11081, Nov. 14, 2011

Act No. 11234, Jan. 26, 2012

Act No. 11690, Mar. 23, 2013

Act No. 11873, jun. 7, 2013

Act No. 11998, Aug. 6, 2013

Act No. 12154, Jan. 1, 2014

Act No. 12294, Jan. 21, 2014

Act No. 12441, Mar. 18, 2014

Act No. 13085, Jan. 28, 2015

Act No. 14476, Dec. 27, 2016

Act No. 14774, Apr. 18, 2017

Act No. 15179, Dec. 12, 2017

## Article 1 (Purpose)

The purpose of this Act is to develop the national economy and to improve the people's lives by stabilizing the supply and demand as well as petroleum prices and ensuring the quality of petroleum products and

alternative fuels.

## **Article 2 (Definitions)**

The definitions of the terms used in this Act shall be as follows: <Amended by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014; Act No. 14774, Apr. 18, 2017>

1. The term "petroleum" means crude oil, natural gas (including liquefied natural gas; hereinafter the same shall apply) and petroleum products;
2. The term "petroleum products" means gasoline, kerosene, light oil, heavy oil, lubricant, hydrocarbon oil equivalent thereto and petroleum gas (including liquefied petroleum gas; hereinafter the same shall apply), which fall under any of the following items:
  - (a) Hydrocarbon oil: Aviation fuel, solvent, asphalt, naphtha, base oil, petroleum intermediate products (referring to residue and middle distillate which are inputs to the process of producing petroleum products) and secondary fuel oil (referring to petroleum by-products used as fuel oil as a substitute for kerosene or heavy oil);
  - (b) Petroleum gas: Propane, butane and fuel gas made by mixing propane and butane;
3. The term "petroleum by-products" means petroleum products that are derived as by-products from the process of manufacturing goods, other than petroleum products;
4. The term "petroleum refinery business" means the business of refining petroleum to manufacture petroleum products (excluding petroleum by-products);
5. The term "petroleum export-import business" means the business of exporting and importing petroleum;
- 5-2. The term "international petroleum trading business" means any of the following business:
  - (a) Business of trading petroleum in a bonded area prescribed in Article 154 of the Customs Act (hereafter in this Act referred to as "bonded area");
  - (b) Business of trading any petroleum product in a bonded area after manufacturing it by mixing a petroleum product, etc. in the manner prescribed by Presidential Decree in a general bonded area designated by the Commissioner of the Korea Customs Service under Article 197 of the Customs Act (hereafter in this Article referred to as "general bonded area") (including cases of manufacturing a petroleum product by outsourcing to a person who has established and is operating a place for general bonded business in a general bonded area);
6. The term "petroleum retail business" means the business of selling petroleum;
7. The term "petroleum refiner" means anyone who engages in the business of refining petroleum after filing for registration or making a report in accordance with Article 5;
8. The term "petroleum exporter or importer" means anyone who engages in the petroleum export-import business after filing for registration in accordance with Article 9 (including cases where the registration is exempted);
- 8-2. The term "international petroleum trader" means a person who engages in international petroleum trading business after filing a report thereon under Article 9-2;

9. The term "petroleum retailer" means anyone who engages in the business of selling petroleum after filing for registration or making a report in accordance with Article 10;

10. The term "fake petroleum products" means comburents, additives (including any additives prescribed by other Acts) and other products (excluding the alternative fuel referred to in subparagraph 11) manufactured by any of the following methods, regardless of their names, which are manufactured for use by manufacturers themselves and others as a fuel for motor vehicles provided in subparagraph 1 of Article 2 of the Motor Vehicle Management Act, and vehicles and machines (limited to where gasoline or light oil is used as fuel) prescribed by Presidential Decree:

(a) The method of mixing petroleum products with other petroleum products (including any petroleum products, the grade of which is different);

(b) The method of mixing petroleum products with petrochemicals (referring to organic chemical products prescribed by Ordinance of the Ministry of Trade, Industry and Energy, with the exception of petroleum products manufactured by undergoing the physical and chemical process from petroleum; hereinafter the same shall apply);

(c) The method of mixing petrochemicals with other petrochemicals;

(d) The method of mixing petroleum products or petrochemicals with materials containing carbon and hydrogen;

11. The term "alternative fuel" means fuel (excluding any coal and natural gas) that may be used as a substitute for petroleum products prescribed by Presidential Decree without changing the fundamental structure of the equipment for burning petroleum products;

12. The term "business of manufacturing and exporting or importing alternative fuels" means the business of manufacturing or exporting and importing alternative fuels;

13. The term "alternative fuel retail business" means the business of selling alternative fuels;

14. The term "business entity manufacturing and exporting or importing alternative fuels" means anyone who engages in the business of manufacturing and exporting or importing alternative fuels after filing for registration in accordance with Article 32 (including cases where the registration is exempted);

15. The term "alternative fuel retailer" means anyone who engages in the business of selling alternative fuels after filing for registration in accordance with Article 33.

### **Article 3 (Petroleum Supply-Demand Predictions)**

Every year, the Minister of Trade, Industry and Energy shall forecast what petroleum supply and demand conditions will be for the next five years following the pertinent year in order to ensure stable petroleum supply and demand across the nation, as prescribed by Presidential Decree. In such case, the following matters shall be taken into account: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. The quantity of petroleum demanded;

2. The quantity of petroleum produced and exported and imported;

3. The refining capacity of petroleum refineries;
4. Other important matters that affect petroleum supply and demand.

#### **Article 4 (Relationship with Other Acts)**

This Act shall not apply to matters concerning natural gas and petroleum gas that are prescribed by the Urban Gas Business Act, the High-Pressure Gas Safety Control Act, and the Safety Control and Business of Liquefied Petroleum Gas Act.

#### **Article 5 (Registration, etc. of Petroleum Refinery Business)**

(1) Anyone who intends to engage in petroleum refinery business shall file for registration with the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. This shall apply where he/she intends to modify any matters, including the refining capacity prescribed by Presidential Decree among the matters registered. *<Amended by Act No. 11690, Mar. 23, 2013>*

(2) Anyone who intends to conduct petroleum refinery business with petroleum products, including lubricants prescribed by Presidential Decree, shall report on his/her business to the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy, notwithstanding paragraph (1). This shall apply where he/she intends to modify any matters, including the production capacity, etc. prescribed by Presidential Decree among the matters reported. *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) The Minister of Trade, Industry and Energy shall notify whether he/she has accepted a report or report on modification referred to in paragraph (2) to the person who has filed it, within seven days from the date of receipt thereof. *<Newly Inserted by Act No. 15179, Dec. 12, 2017>*

(4) If the Minister of Trade, Industry and Energy fails to notify whether he/she has accepted a report, report on modification, or the extension of the period for handling civil petitions in accordance with statutes related to civil petitions within the period prescribed in paragraph (3), such report or report on modification shall be deemed accepted on the day immediately following the date on which such period (where the period for handling civil petitions was extended or re-extended pursuant to statutes related to civil petitions, referring to the relevant period) has expired. *<Newly Inserted by Act No. 15179, Dec. 12, 2017>*

(5) Registration requirements, including facility standards of petroleum refinery business, and matters to be reported under paragraphs (1) and (2) shall be prescribed by Presidential Decree.

#### **Article 6 (Grounds for Disqualification)**

Any of the following persons shall be prohibited from filing for registration of or making a report on his/her petroleum refinery business: *<Amended by Act No. 10353, Jun. 8, 2010; Act No. 12294, Jan. 21, 2014; Act No. 14774, Apr. 18, 2017>*

1. A minor;
2. An incompetent person under the adult guardianship;
3. A person who has been declared bankrupt and has not been reinstated;
4. A person in whose case two years have not passed since his/her imprisonment with labor declared by a court for violating this Act was completely executed (including cases where the execution of the

sentence was deemed to have been completed) or exempted;

5. A person under suspension of the execution of his/her imprisonment with labor for violating this Act declared by a court;

6. A person in whose case two years have not passed after the registration of his/her petroleum refinery business was revoked or the place of business was shut down in accordance with Article 13 (1) (excluding cases where the registration was revoked or the place of business was shut down as they fall under any of subparagraphs 1 through 3);

7. A corporation, the representative of which falls under any of subparagraphs 1 through 6.

#### **Article 7 (Succession to Status of Petroleum Refiners)**

(1) Any of the following persons shall inherit the status of relevant petroleum refiners:

1. The transferee, where a petroleum refiner transfers all of his/her petroleum refinery business;

2. His/her heir, where a petroleum refiner dies;

3. A corporation that survives a merger when a petroleum refiner that is a corporation merges with another petroleum business, or a corporation incorporated by said merger.

(2) Anyone who acquires the whole refinery facilities according to any of the following procedures shall succeed to the status of the relevant petroleum refiner: *<Amended by Act No. 10219, Mar. 31, 2010; Act No. 14476, Dec. 27, 2016>*

1. An auction provided for in the Civil Execution Act;

2. Conversion provided in the Debtor Rehabilitation and Bankruptcy Act;

3. Sales of seized property provided in the National Tax Collection Act, the Customs Act or the Local Tax Collection Act;

4. Other procedures corresponding to subparagraphs 1 through 3.

#### **Article 8 (Succession of Disposition Effect)**

Where the status of any petroleum refiner is succeeded in accordance with Article 7, the effect of a business-suspension disposition taken against the previous petroleum refiner in accordance with Article 13 (1) (including a penalty surcharge imposed in lieu of business suspension provided for in Article 14) shall be succeeded by a new petroleum refiner, and if disposition procedures are underway, such procedures may continue with the new petroleum refiner: Provided, That the same shall not apply where the new petroleum refiner (excluding a person who succeeds such status by inheritance) verifies that he/she was unaware of such disposition or violation when he/she inherited the petroleum refinery business. *<Amended by Act No. 12294, Jan. 21, 2014>*

#### **Article 9 (Registration, etc. of Petroleum Export-Import Business)**

(1) Anyone who intends to engage in petroleum export-import business (excluding natural gas export-import business and liquefied petroleum gas export-import business; hereinafter the same shall apply in this Article and Articles 11-2, 12, and 17) shall file for registration with the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy: Provided, That the same shall not apply to the following cases: *<Amended by Act No. 10353, Jun. 8, 2010; Act No. 11690, Mar. 23,*

2013; Act No. 13085, Jan. 28, 2015>

1. Where anyone who has filed for registration in accordance with Article 5 (1) concurrently conducts petroleum export-import business (excluding cases where the quantity of petroleum gas imported during the pertinent year is not less than 50,000 tons and not less than the quantity prescribed by Presidential Decree);
2. Where he/she conducts the business of importing and exporting petroleum products, including lubricants, prescribed by Presidential Decree;
3. Where he/she conducts only petroleum-export business;
4. Where the quantity of petroleum he/she imports during the pertinent year for his/her own use is not more than 100,000 kiloliter;
5. Where a person who falls under subparagraph 4 exports some of petroleum products that he/she has imported or exports petroleum by-products;
6. Where the Korea National Oil Corporation established in accordance with the Korea National Oil Corporation Act (hereinafter referred to as the "Corporation") exports or imports petroleum in order to implement the petroleum stockpiling policy under Article 16 (2).

(2) Where anyone who has been registered under paragraph (1) intends to modify details, including the scale of petroleum storage facility, prescribed by Presidential Decree, among the registered information, he/she shall file for registration of the modification with the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 11690, Mar. 23, 2013>

(3) Registration requirements, including facility standards for petroleum export-import business under paragraph (1), shall be prescribed by Presidential Decree.

(4) Articles 6 through 8 shall apply mutatis mutandis to the grounds for disqualification of petroleum exporters or importers, the succession of status, and the effect of disposition. In such case, "petroleum refinery business" in the main sentence of Article 6 shall be construed as "petroleum export-import business;" "Article 13 (1)" and "petroleum refinery business" in subparagraph 6 of the same Article, as "Article 13 (2)" and "petroleum export-import business;" "petroleum refiner" and "refinery" in Article 7, as "petroleum exporter or importer" and "petroleum export-import facility;" and "petroleum refiner" and "Article 13 (1)" in Article 8 shall be construed as "petroleum exporter or importer" and "Article 13 (2)," respectively.

#### **Article 9-2 (Reporting, etc. on International Petroleum Trading Business)**

(1) A person who intends to engage in international petroleum trading business shall file a report with the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy: Provided, That if he/she engages only in the business defined in subparagraph 5-2 (a) of Article 2 (excluding cases where petroleum is traded after calibrating quality under Article 26), he/she needs not file a report.

(2) Where a person who has filed a report under paragraph (1) intends to modify any matter prescribed by Ordinance of the Ministry of Trade, Industry and Energy among the reported matters, he/she shall file a report on modification with the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy.

(3) Articles 6, 7 (1), and 8 shall apply mutatis mutandis to the grounds for disqualification, succession to status, and succession of the disposition effect of an international petroleum trader. In such cases, "petroleum refinery business" in Article 6 shall be construed as "international petroleum trading business;" Article 13 (1) as "Article 13 (3);" "petroleum refiners" in Article 7 (1) as "international petroleum traders;" "petroleum refiners" in Article 8 as "international petroleum traders;" "Article 13 (1)" as "Article 13 (3);" and "petroleum refinery business" as "international petroleum trading business," respectively.

#### **Article 10 (Registration, etc. of Petroleum Retail Business)**

(1) Anyone who intends to conduct petroleum retail business shall file for registration with the Special Metropolitan City Mayor, a Metropolitan City Mayor, a Special Self-Governing City Mayor, a Do Governor, or a Special Self-Governing Province Governor (hereinafter referred to as a "Mayor/Do Governor"), or the head of a Si/Gun/Gu (referring to the head of an autonomous Gu: hereinafter the same shall apply), as prescribed by Ordinance of the Ministry of Trade, Industry and Energy: Provided, That anyone who intends to conduct petroleum retail business by producing petroleum by-products shall file for registration with the Minister of Trade, Industry and Energy. *<Amended by Act No. 10353, Jun. 8, 2010; Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014>*

(2) Anyone who intends to operate general petroleum retail shops, etc. prescribed by Presidential Decree among the petroleum retail business shall report thereon to a Mayor/Do Governor or the head of a Si/Gun/Gu in accordance with the procedures prescribed by Ordinance of the Ministry of Trade, Industry and Energy, notwithstanding paragraph (1). *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) Where anyone who has filed for registration or made a report in accordance with paragraphs (1) and (2) intends to modify the matters registered or reported, including the facility location, prescribed by Presidential Decree, he/she shall file for registration of the modification with or make a report thereon to, the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu who has received such registration or report, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013>*

(4) A Mayor/Do Governor or the head of a Si/Gun/Gu shall notify whether he/she has accepted a report or report on modification referred to in paragraph (2) or (3) to the person who filed it, within seven days from the date of the receipt thereof. *<Newly Inserted by Act No. 15179, Dec. 12, 2017>*

(5) If a Mayor/Do Governor or the head of a Si/Gun/Gu fails to notify whether he/she has accepted a report, report on modification, or the extension of the period for handling civil petitions in accordance with the statutes related to civil petitions within the period prescribed in paragraph (4), such report or report on modification shall be deemed accepted on the day immediately following the date on which such period (where the period for handling civil petitions was extended or re-extended pursuant to the statutes

related to civil petitions, referring to the relevant period) has expired. <Newly Inserted by Act No. 15179, Dec. 12, 2017>

(6) Type of petroleum retail business to be registered with or reported to a Mayor/Do Governor or the head of a Si/Gun/Gu in accordance with paragraphs (1) and (2), petroleum products allowed to be traded, and registration requirements, including facility standards for petroleum retail business under paragraph (1), shall be prescribed by Presidential Decree.

(7) Articles 6 through 8 shall apply mutatis mutandis to the grounds for disqualification of petroleum retailers, succession of status and disposition effect. In such case, "petroleum refinery business" in the main sentence of Article 6 shall be construed as "petroleum retail business;" "Article 13 (1)" and "petroleum refinery business" in subparagraph 6 of the same Article as "Article 13 (4)" and "petroleum retail business;" "petroleum refiner" and "refinery" in Article 7, as "petroleum retailer" and "petroleum retail facility;" and "petroleum refiner" and "Article 13 (1)" in Article 8, as "petroleum retailer" and "Article 13 (4)", respectively. <Amended by Act No. 14774, Apr. 18, 2017>

#### **Article 11 (Conditional Registration, etc.)**

(1) Anyone who intends to apply for registration, as provided for in Article 5, 9 or 10 (hereafter in this Article referred to as "principal registration") may file an application for conditional registration with the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu on condition that he/she secures facilities prescribed by the registration requirements within a period prescribed by Presidential Decree. <Amended by Act No. 11690, Mar. 23, 2013>

(2) The Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu shall, upon receiving an application for conditional registration under paragraph (1), examine such application and notify the applicant of whether the application for conditional registration is approved within a period prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 11690, Mar. 23, 2013>

(3) If anyone who was granted an approval of his/her application for a conditional registration files an application for a principal registration, the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu shall approve such principal registration after verifying whether he/she meets the registration requirements. <Amended by Act No. 11690, Mar. 23, 2013>

(4) When anyone who was granted an approval of conditional registration under paragraph (2) fails to secure facilities prescribed by the registration requirements within a specified period referred to in paragraph (1) without good cause, the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu shall revoke his/her conditional registration. <Amended by Act No. 11690, Mar. 23, 2013>

(5) Standards for conditional registration and other necessary matters shall be prescribed by Presidential Decree.

#### **Article 11-2 (Restrictions on Registration, etc. of Petroleum Business)**

No person who intends to file for registration of, or make a report on, any of the following petroleum business pursuant to Articles 5, 9, and 10 shall file for registration of, or make a report on, the relevant petroleum business in the following subparagraphs using all facilities used for the operation thereof or the key facilities prescribed by Presidential Decree, until two years have passed since grounds falling under each item of the relevant subparagraph arise: <Amended by Act No. 11234, Jan. 26, 2012; Act No. 12294, Jan. 21, 2014; Act No. 14774, Apr. 18, 2017>

1. Petroleum refinery business:

(a) Where registration is revoked or the place of business is closed, falling under any of subparagraphs 9 through 12, 12-2, and 13 through 15 of Article 13 (1);

(b) Where registration is revoked or the place of business thereof is closed, falling under Article 13 (6);

2. Petroleum export-import business:

(a) Where registration is revoked, falling under any of subparagraphs 9 through 12, 12-2, and 13 through 15 of Article 13 (1), as prescribed in paragraph (2) 7 of the same Article;

(b) Where registration of petroleum export-import business is revoked falling under Article 13 (6);

3. Petroleum retail business:

(a) Where registration is revoked or the place of business is closed, falling under any of subparagraphs 9 through 12, 12-2, and 13 through 15 of Article 13 (1), as prescribed in paragraph (4) 8 of the same Article;

(b) Where registration is revoked or the place of business is closed, falling under Article 13 (4) 9;

(c) Where registration is revoked or the place of business thereof is closed, falling under Article 13 (6).

**Article 12 (Reporting on Commencement, Suspension, and Discontinuation of Business)**

(1) A petroleum refiner, a petroleum exporter or importer, or a petroleum retailer shall commence his/her business within a period prescribed by Presidential Decree from the date on which he/she files for registration or makes a report on his/her business.

(2) Where a petroleum refiner, a petroleum exporter or importer, an international petroleum trader, or a petroleum retailer commences, suspends, or discontinues his/her business, he/she shall report thereon to the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 14774, Apr. 18, 2017>

(3) Where reporting under paragraph (2) has no defect in the matters to be entered into the report and the documents appended thereto, and satisfies formal requirements prescribed in statutes, etc., the duty to report shall be deemed fulfilled as at the time the report arrives at the receiving agency. <Newly Inserted by Act No. 15179, Dec. 12, 2017>

**Article 12-2 (Establishment of Financial Cooperatives)**

(1) The persons prescribed by Presidential Decree, from among petroleum retailers, may establish a financial cooperative, with authorization from the Minister of Trade, Industry and Energy (hereinafter referred to as "financial cooperative") for providing guarantees and loans necessary to promote their mutual cooperation and autonomous economic activities, and to enhance their economic status.

(2) A financial cooperative shall be a corporation.

(3) The procedure for authorizing the establishment of a financial cooperative, provisions of articles of incorporation, and matters necessary for the operation, supervision, etc. of financial cooperatives shall be prescribed by Presidential Decree.

(4) A financial cooperative shall be duly formed when it is registered for incorporation with the registry having jurisdiction over its principal place of business.

(5) Except as otherwise provided for in this Act, the provisions concerning incorporated associations in the Civil Act and the provisions concerning the accounting of stock companies in the Commercial Act shall apply to financial cooperatives.

#### **Article 12-3 (Business of Financial Cooperatives)**

Each financial cooperative shall conduct the following business activities:

1. Loan service for the funds required for its members to stabilize business;
2. Programs for assisting its members in business normalization;
3. Programs for partially subsidizing its members for the change or closure of business;
4. Mutual aid service for compensating its members for losses that might be incurred by a third person in the course of its members' business activities;
5. Other business activities prescribed by Presidential Decree.

#### **Article 12-4 (Accumulation of Fundamental Property)**

Each financial cooperative shall accumulate its fundamental property from the following financial resources in order to efficiently operate its business, and the Government may grant contributions or subsidies to financial cooperatives, within budgetary limits:

1. Members' equity contributions, mutual aid installments, or other deposits or contributions;
2. Other financial resources prescribed by Presidential Decree.

#### **Article 13 (Revocation, etc. of Registration)**

(1) Where any petroleum refiner falls under any of the following cases, the Minister of Trade, Industry and Energy may revoke registration of his/her petroleum refinery business or issue an order to close the place of business (limited to an entity that makes a report on his/her business; hereinafter the same shall apply in this Article) or to fully or partially suspend his/her petroleum refinery business for a fixed period of up to six months: Provided, That if he/she falls under any of subparagraphs 1, 3 through 5, the Minister of Trade, Industry and Energy shall revoke registration of his/her petroleum refinery business or issue an order to close the place of business: <Amended by Act No. 10353, Jun. 8, 2010; Act No. 10958, Jul. 25, 2011; Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014; Act No. 15179, Dec. 12, 2017>

1. Where the petroleum refinery business is registered pursuant to Article 5 (1) or reported pursuant to paragraph (2) of the same Article by fraud or other improper means;
2. Where the petroleum refinery business ceases to meet the registration requirements, including facility standards for petroleum refinery business, or matters reported pursuant to Article 5 (5);
3. Where the petroleum refinery business is discontinued;
4. Where he/she falls under the grounds for disqualification provided for in any of subparagraphs 1 through 5 or 7 of Article 6 (excluding the case where the representative of a corporation is replaced with another representative who has no grounds for disqualification within six months);
5. Where he/she fails to commence his/her petroleum refinery business within a period provided for in Article 12 (1) without good cause or continues to suspend his/her petroleum refinery business for at least one year after commencing his/her business;
6. Where he/she fails to fulfill his/her duty to stockpile petroleum required under Article 17;
7. Where he/she violates an order issued under Article 21 (1);
8. Where he/she violates the measures provided in Article 22 (1);
9. Where he/she sells or delivers petroleum products without undergoing the quality test thereof provided in Article 25 (1), or refuses, interferes with or, evades the quality test provided for in paragraph (2) of the same Article;
10. Where he/she performs calibration of the quality of petroleum products, in violation of Article 26 (2);
11. Where he/she violates the prohibition against sale of petroleum products which fail to meet the quality standards provided for in Article 27;
12. Where he/she manufactures, imports, stores, transports, keeps, or sells fake petroleum products, in violation of Article 29 (1) 1;
- 12-2. Where he/she supplies, sells, stores, transports, or keeps petroleum products, petrochemicals, alternative fuels, or materials containing carbon and hydrogen, in order to use them in manufacturing fake petroleum products or to use them as fake petroleum products, in violation of Article 29 (1) 3;
13. Where he/she violates the order issued or damages the seal placed under Article 30 (1);
14. Where he/she refuses, interferes with, or evades the inspection provided for in Article 38 (1);
15. Where he/she violates the prohibition against acts provided for in Article 39.

(2) Where any petroleum exporter or importer falls under any of the following cases, the Minister of Trade, Industry and Energy may revoke registration of his/her petroleum export-import business or issue an order to fully or partially suspend his/her petroleum export-import business for a fixed period of up to six months: Provided, That where he/she falls under any of subparagraph 1 or 3 through 5, the Minister of Trade, Industry and Energy shall revoke registration of his/her petroleum export-import business:  
<Amended by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014>

1. Where the petroleum export-import business is registered under Article 9 (1) by fraud or other improper means;

2. Where the registration requirements, including facility standards for the petroleum export-import business provided for in Article 9 (3) are not satisfied;
3. Where the petroleum export-import business is discontinued;
4. Where he/she falls under any of the grounds for disqualification (excluding where the representative of a corporation is replaced with another representative without grounds for disqualification within six months) provided in any of subparagraphs 1 through 5 or 7 of Article 6 that are applied mutatis mutandis under Article 9 (4);
5. Where he/she fails to commence his/her petroleum export-import business within a period provided for in Article 12 (1) without good cause or continues to suspend his/her petroleum export-import business for at least one year after commencing the business;
6. Where he/she fails to fulfill his/her obligation to stockpile petroleum under Article 17;
7. Where he/she falls under any of paragraph (1) 7 through 12, 12-2, and 13 through 15.

(3) Where an international petroleum trader falls under any of the following cases, the Minister of Trade, Industry and Energy may issue an order to close his/her place of business or to suspend all or part of his/her business fixing a period not exceeding six months: Provided, That in cases falling under any of subparagraph 1, 2, 3, 5 or 6, an order to close his/her place of business shall be issued: <Newly Inserted by Act No. 14774, Apr. 18, 2017>

1. Where the report under Article 9-2 (1) is filed by fraud or other improper means;
2. Where the international petroleum trading business is closed;
3. Where he/she falls under any ground for disqualification prescribed in subparagraph 1 through 5 or 7 of Article 6 which applies mutatis mutandis pursuant to Article 9-2 (3) (excluding cases of a corporation, the representative of which is replaced within six months by another representative who does not fall under any ground for disqualification);
4. Where he/she fails to operate international petroleum trading business continuously for not less than one year without filing a report on closure or suspension of business after commencing the business;
5. Where he/she trades petroleum outside of a bonded area;
6. Where he/she manufactures any petroleum product outside of a general bonded area;
7. Where he/she falls under paragraph (1) 10, 14, or 15.

(4) Where any petroleum retailer falls under any of the following cases, the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu may revoke registration of his/her petroleum retail business, order the petroleum retailer to close the place of business, or to fully or partially suspend his/her petroleum retail business for a fixed period of up to six months: Provided, That when he/she falls under any of subparagraphs 1, 4 through 6 or 9, the Minister of Trade, Industry and Energy shall revoke registration of the petroleum retail business, or issue an order to close the place of business: <Amended by Act No. 10353, Jun. 8, 2010; Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014; Act No. 14774, Apr. 18, 2017; Act No. 15179, Dec. 12, 2017>

1. Where the petroleum retail business is registered pursuant to Article 10 (1) or reported pursuant to paragraph (2) by fraud or other improper means;
  2. Where the registration requirements, including facility standards for petroleum retail business provided for in Article 10 (6) are not satisfied;
  3. Where he/she sells petroleum products, other than the petroleum products allowed to be traded under Article 10 (6), or supplies petroleum retailers with the petroleum products, other than the petroleum products allowed to be traded;
  4. Where a petroleum retail business is discontinued;
  5. Where he/she falls under any of the grounds for disqualification (excluding the case where the representative of a corporation is replaced with another representative who has no grounds for disqualification within six months) provided for in any of subparagraphs 1 through 5 or 7 of Article 6 applied mutatis mutandis under Article 10 (7);
  6. Where he/she fails to commence his/her petroleum retail business within a period provided for in Article 12 (1) without good cause or continues to suspend his/her petroleum retail business for at least one year after commencing his/her business;
  7. Where he/she fails to fulfill his/her obligation to stockpile petroleum under Article 17;
  8. Where he/she falls under any of paragraph (1) 7 through 12, 12-2, and 13 through 15;
  9. Where he/she transfers, delivers, or keeps petroleum products that an installer and a manager of oil pipelines prescribed in the Oil Pipeline Safety Control Act transports, stores or keeps after stealing them, or obtains or transfers them from the person who stole them, or delivers or keeps them for the person who stole them, or engages in brokering such act knowing that those products are stolen goods.
- (5) Standards for taking a disposition against each violation provided for in paragraphs (1) through (4) shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 14774, Apr. 18, 2017>*

(6) Where anyone in receipt of an order to suspend his/her business pursuant to paragraphs (1) through (4) continues his/her business operation during the suspension period, the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu shall revoke registration of his/her petroleum refinery business, petroleum import-export business, international petroleum trading business, or petroleum retail business, or issue an order to close the place of business. *<Amended by Act No. 10353, Jun. 8, 2010; Act No. 11690, Mar. 23, 2013; Act No. 14774, Apr. 18, 2017>*

#### **Article 14 (Penalty Surcharges)**

(1) Where any petroleum refiner, petroleum exporter or importer, international petroleum trader, or petroleum retailer falls under any of the following cases, the Minister of Trade, Industry and Energy, a Mayor/Do Governor or the head of a Si/Gun/Gu may impose a penalty surcharge not exceeding two billion won in lieu of business suspension provided for in Article 13: Provided, That this shall not apply to cases prescribed by Ordinance of the Ministry of Trade, Industry and Energy, such as the manufacture and sale of fake petroleum products through conversion of a business facility or by removing colorants or

identification materials: <Amended by Act No. 11081, Nov. 14, 2011; Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014; Act No. 14774, Apr. 18, 2017>

1. Where a petroleum refiner falls under any of subparagraphs 7 through 12, 12-2, and 13 through 15 of Article 13 (1);
  2. Where a petroleum exporter or importer falls under Article 13 (2) 7;
  - 2-2. Where an international petroleum trader falls under Article 13 (3) 7;
  3. Where a petroleum retailer falls under Article 13 (4) 2, 3 or 8.
- (2) Where any petroleum refiner falls under Article 13 (1) 2, or any petroleum exporter or importer falls under Article 13 (2) 2, the Minister of Trade, Industry and Energy may impose a penalty surcharge, in lieu of business suspension, not exceeding the value of the quantity of petroleum produced or imported during the period in which the relevant person ceases to satisfy registration requirements or matters reported. <Amended by Act No. 10353, Jun. 8, 2010; Act No. 11690, Mar. 23, 2013>
- (3) Where anyone obligated to stockpile petroleum under Article 17 fails to fulfill such obligation, the Minister of Trade, Industry and Energy may impose a penalty surcharge not exceeding the value of the quantity equivalent to the shortfall in the obligatory stockpile quantity during the period in which he/she fails to fulfill his/her obligation to stockpile petroleum, in lieu of business suspension provided for in Article 13 (1), (2) and (4). <Amended by Act No. 11690, Mar. 23, 2013; Act No. 14774, Apr. 18, 2017>
- (4) The amount of penalty surcharges to be imposed according to the types and severity of a violation under paragraph (1), the method of calculating the penalty surcharges under paragraphs (2) and (3), and other necessary matters shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 11690, Mar. 23, 2013>
- (5) Where a person liable to pay the penalty surcharge under paragraphs (1) through (3) fails to pay it by the payment deadline, the Minister of Trade, Industry and Energy, a Mayor/Do Governor or the head of a Si/Gun/Gu shall collect the amount due in the same manner as delinquent national taxes are collected or in accordance with the Act on the Collection, etc. of Local Non-Tax Revenue, or shall cancel the disposition to impose the penalty surcharge under paragraphs (1) through (3) and then make a disposition suspending the petroleum refinery business, petroleum export-import business, international petroleum trading business, or petroleum retail business under Article 13. <Amended by Act No. 10353, Jun. 8, 2010; Act No. 11690, Mar. 23, 2013; by Act No. 11998, Aug. 6, 2013; Act No. 14774, Apr. 18, 2017>
- (6) Among the penalty surcharges imposed under paragraphs (1) through (3), the amount collected by the Minister of Trade, Industry and Energy shall devolve on the special accounts for energy and resources-related projects provided in the Act on the Special Accounts for Energy and Resources-Related Projects (hereinafter referred to as "Special Accounts for Energy and Resources-Related Projects") while the amount collected by a Mayor/Do Governor or the head of a Si/Gun/Gu shall escheat to the relevant local government. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12154, Jan. 1, 2014>

#### **Article 14-2 (Affixing Notices for Manufacture, etc. of Fake Petroleum Products)**

(1) Where any petroleum refiner, petroleum exporter or importer, or petroleum retailer is subject to business suspension provided for in Article 13 or penalty surcharge provided for in Article 14 (1) on at least two occasions for manufacturing, importing, storing, transporting, keeping, or selling fake petroleum products, in violation of Article 29 (1) 1, the Minister of Trade, Industry and Energy, a Mayor/Do Governor or the head of a Si/Gun/Gu shall assign a related public official to affix a notice wherein the details of, cause, etc. for the administrative disposition are specified at the relevant business entity's place of business for a period corresponding to the business suspension period. *<Amended by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>*

(2) The details of a notice, a place to affix it, and other necessary matters under paragraph (1) shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013>*

#### **Article 15 (Plan for Stockpiling Petroleum)**

(1) The Minister of Trade, Industry and Energy shall set a petroleum stockpile target in order to ensure stable petroleum supply and demand as well as the price of petroleum, and shall develop a petroleum stockpiling plan in order to meet the stockpile target, as prescribed by Presidential Decree. *<Amended by Act No. 11690, Mar. 23, 2013>*

(2) The petroleum stockpiling plan under paragraph (1) shall include the following matters:

1. Matters concerning the petroleum stockpile target;
2. Matters concerning types of petroleum to be stockpiled and the quantity of petroleum to be stockpiled;
3. Matters concerning petroleum stockpiling facilities;
4. Other important matters concerning petroleum stockpiling.

(3) The Minister of Trade, Industry and Energy may modify the petroleum stockpiling plan referred to in paragraph (1), if deemed necessary due to a significant change in petroleum supply and demand or other economic conditions. *<Amended by Act No. 11690, Mar. 23, 2013>*

#### **Article 16 (Formulation and Implementation, etc. of Policies for Petroleum)**

(1) The Minister of Trade, Industry and Energy shall implement policies necessary to satisfy the petroleum stockpile target provided for in Article 15 (1). *<Amended by Act No. 11690, Mar. 23, 2013>*

(2) The Minister of Trade, Industry and Energy may, if deemed necessary, have the Corporation implement the policies for petroleum stockpiling. *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) The Minister of Trade, Industry and Energy may inspect the safety of petroleum stockpiling facilities operated by the Corporation in order to implement the policies for petroleum stockpiling under paragraph (2). *<Newly Inserted by Act No. 12294, Jan. 21, 2014>*

(4) Inspection items, procedures, and other matters necessary for the safety inspection of petroleum stockpiling facilities under paragraph (3) shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Newly Inserted by Act No. 12294, Jan. 21, 2014>*

### **Article 17 (Obligation to Stockpile Petroleum)**

(1) Any of the following persons (hereinafter referred to as "person obliged to stockpile petroleum") shall stockpile petroleum in order to stabilize petroleum supply and demand as well as petroleum prices, as prescribed by Presidential Decree: *<Amended by Act No. 10353, Jun. 8, 2010>*

1. A petroleum refiner;
  2. A petroleum exporter or importer that exports or imports crude oil or petroleum products prescribed by Presidential Decree;
  3. A person prescribed by Presidential Decree, among petroleum retailers registered pursuant to the proviso to Article 10 (1).
- (2) A person obliged to stockpile petroleum may have other persons who meet the requirements prescribed by Presidential Decree, such as facility standards (hereinafter referred to as "petroleum stockpiling agent") vicariously perform the obligation to stockpile petroleum referred to in paragraph (1).

### **Article 18 (Surcharges on Import and Retail of Petroleum)**

(1) The Minister of Trade, Industry and Energy may collect surcharges from any of the following persons to stabilize the supply of and demand for petroleum and the prices thereof: Provided, That surcharges shall not be collected in cases where it is reasonable not to collect dues, for causes prescribed by Presidential Decree, such as importing petroleum in order to fulfil the obligation to stockpile petroleum under Article 17: *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014>*

1. Petroleum refiners, petroleum exporters or importers, and petroleum retailers that import petroleum or sell petroleum products;
  2. Petroleum refiners or petroleum exporters or importers that make excessively high profits from severe fluctuations in international petroleum prices.
- (2) The amount of surcharges referred to in paragraph (1) shall be as follows: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. Surcharges referred to in paragraph (1) 1: The amount prescribed by Presidential Decree within the scope of 36 won per liter of petroleum imported or petroleum products sold (in the case of natural gas and petroleum gas, the amount equivalent to 36 won per liter of the liquefied gas thereof);
  2. Surcharges referred to in paragraph (1) 2: The amount publicly announced by the Minister of Trade, Industry and Energy after consultation with the Minister of Strategy and Finance within the scope of not exceeding the difference between the prices of petroleum imported and the domestic prices of petroleum.
- (3) Persons obliged to pay surcharges under paragraph (1), standards for imposing dues, methods of collecting dues, the postponement of surcharges collection, and other necessary matters concerning the imposition and collection of surcharges shall be prescribed by Presidential Decree.
- (4) Where a person obliged to pay surcharges under paragraph (1) fails to pay the surcharges by the payment deadline, the Minister of Trade, Industry and Energy may collect additional surcharges from him/her, as prescribed by Presidential Decree, for a period from the day immediately following the

payment deadline to the day when the payment is made. *<Amended by Act No. 11690, Mar. 23, 2013>*

(5) Where a person obliged to pay surcharges under paragraph (1) fails to pay the surcharges by the payment deadline, the Minister of Trade, Industry and Energy shall urge him/her to pay surcharges within a fixed period, and where he/she fails to pay the surcharges and additional surcharges under paragraph (4) within the fixed period, the Minister of Trade, Industry and Energy may collect the surcharges and additional surcharges in the same manner as delinquent national taxes are collected. *<Amended by Act No. 11690, Mar. 23, 2013>*

(6) The Minister of Trade, Industry and Energy may set surcharges based on the calculation of difference in net terms between the cost referred to in subparagraph 1 and the one referred to in subparagraph 2 for a fixed period: *<Amended by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>*

1. Petroleum import costs incurred by petroleum refiners, petroleum exporters or importers, or petroleum retailers;

2. Petroleum import costs used as a benchmark in determining the maximum or the minimum petroleum retail prices provided for in Article 23.

(7) Any person who is dissatisfied with a disposition imposing surcharges or additional surcharges provided for in paragraph (1) or (4) may file an objection to the Minister of Trade, Industry and Energy within 30 days of receipt of such disposition. *<Newly Inserted by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>*

(8) The Minister of Trade, Industry and Energy shall make a decision on the objection filed under paragraph (7) within 15 days of receipt of the objection and notify the applicant of the result thereof in writing without delay: Provided, That where a decision cannot be made within the fixed period due to any unavoidable cause, the period may be extended for up to ten days counting from the day immediately following the expiration date of such period, and in such case, he/she shall notify the applicant of the ground for the extension. *<Newly Inserted by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>*

(9) The surcharges and additional surcharges collected under paragraphs (1) and (4) shall escheat to the Special Accounts for Energy and Resources-Related Projects. *<Amended by Act No. 11234, Jan. 26, 2012; Act No. 12154, Jan. 1, 2014>*

#### **Article 19 (Refund, etc. of Surcharges and Amounts Overpaid and Erroneously Paid)**

(1) Where a person obliged to pay surcharges provided for in Article 18 uses or supplies petroleum for any purpose prescribed by Presidential Decree, such as importing petroleum and stockpiling it for the purpose of fulfilling the obligation to stockpile petroleum under Article 17, the Minister of Trade, Industry and Energy may refund the surcharges collected from him/her, and where he/she overpaid or erroneously paid dues, additional dues, or expenses for disposition on default, the amount overpaid or erroneously paid shall be refunded without delay. *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014>*

(2) When refunding surcharges or amounts overpaid or erroneously paid under paragraph (1), the Minister of Trade, Industry and Energy may appropriate any dues, additional dues, or expenses for disposition on default that the person eligible for refund is liable to pay, if any, for the amount that shall be refunded.

*<Amended by Act No. 11690, Mar. 23, 2013>*

(3) When making a refund or appropriation under paragraphs (1) and (2), the Minister of Trade, Industry and Energy shall add to the refund money an amount calculated at an interest rate set by Presidential Decree in consideration of the deposit interest rates of financial institutions within 15 percent per annum for a period starting from the date immediately following the date overpayment or erroneous payment is made to the date the decision for refund or appropriation is made. *<Amended by Act No. 11690, Mar. 23, 2013>*

(4) The refund money and additional amounts referred to in paragraphs (1) and (3) shall be paid from the fiscal revenue account of investment accounts of the Special Accounts for Energy and Resources-Related Projects. *<Amended by Act No. 12154, Jan. 1, 2014>*

(5) Except as otherwise provided for in paragraphs (1) through (4), methods of and procedures for paying refund money and additional amounts, and other necessary matters shall be prescribed by Presidential Decree.

#### **Article 19-2 (Recovery, etc. of Over-Refunded Amount)**

(1) Where the Minister of Trade, Industry and Energy becomes aware, after refunding surcharges or the amount overpaid or erroneously paid under Article 19, that the refunded amount exceeds the actual amount to be refunded, he/she shall recover the over-refunded amount from the person who was refunded surcharges or the overpaid or erroneously paid amount. *<Amended by Act No. 11690, Mar. 23, 2013>*

(2) Where the Minister of Trade, Industry and Energy recovers the over-refunded amount under paragraph (1), he/she shall add, to the over-refunded amount, the amount calculated at an interest rate set under Article 19 (3) for a period starting from the date immediately following the date overpayment of refund was made to the date the decision for recovery was made. *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) The over-refunded amount and additional amounts referred to in paragraphs (1) and (2) shall escheat to the Special Accounts for Energy and Resources-Related Projects. *<Amended by Act No. 12154, Jan. 1, 2014>*

(4) Except as otherwise provided for in paragraphs (1) through (3), methods of and procedures for recovering the over-refunded amount and additional amounts, and other necessary matters shall be prescribed by Presidential Decree.

#### **Article 20 (Entrustment of Administrative Affairs, etc. of Collecting Dues)**

(1) The Minister of Trade, Industry and Energy may entrust institutions or organizations prescribed by Presidential Decree with the administrative affairs concerning the collection of surcharges and additional dues, and objections filed under Article 18, the refund and appropriation of surcharges and overpaid or erroneously paid amount referred to in Article 19, and the recovery of the over-refunded amount pursuant to Article 19-2. *<Newly Inserted by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>*

(2) Where the Minister of Trade, Industry and Energy entrusts administrative affairs in accordance with paragraph (1), he/she may appoint accountants who will perform the administrative affairs, from among executive officers and employees affiliated with the institutions or organizations. *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) The provisions concerning accountants defined in the Act on Liability of Accounting Personnel, Etc. shall apply mutatis mutandis to accountants appointed under paragraph (2).

(4) Where the Minister of Trade, Industry and Energy entrusts administrative affairs in accordance with paragraph (1), he/she may pay service fees or necessary expenses out of the Special Accounts for Energy and Resources-Related Projects, as prescribed by the Minister of Trade, Industry and Energy. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12154, Jan. 1, 2014>

#### **Article 21 (Order, etc. Issued to Stabilize Petroleum Supply and Demand)**

(1) Where the worsening petroleum situation in Korea and abroad has caused serious disruptions to petroleum supply and demand or is likely to do so, or disorder in petroleum distribution undermines the stability of the people's lives and the smooth operation of the Korean economy or is likely to do so, the Minister of Trade, Industry and Energy may issue orders to petroleum refiners, petroleum exporters or importers, petroleum retailers, petroleum stockpiling agents, installers and managers of oil pipelines provided for in the Oil Pipeline Safety Control Act (hereinafter referred to as "petroleum refiners, etc."), business entities manufacturing and selling petrochemicals, and persons who consume petroleum products or petrochemicals in excess of the quantity prescribed by Ordinance of the Ministry of Trade, Industry and Energy (hereafter in this Article referred to as "major consumers"), with respect to any of the following matters in order to stabilize petroleum supply and demand: <Amended by Act No. 11690, Mar. 23, 2013>

1. Distribution of petroleum by area and by major supplier and consumer;
2. The petroleum refining capacity, operation, and work of refineries;
3. The production ratio by type of petroleum product for each petroleum refiner;
4. Petroleum stockpile and the use of oil storage facilities;
5. The export and import of petroleum, including methods and areas of importing petroleum;
6. Refining and processing of petroleum on commission;
7. Establishment of the specifications of petroleum products and order in fixed-quantity transactions;
8. The exchange of petroleum at the same price or the distribution and use of petroleum among petroleum refiners, petroleum exporters or importers, or petroleum retailers;
9. Distribution facilities of petroleum and petrochemicals and use of such distribution facilities;
10. The distribution structures and channels of petroleum and petrochemicals;
11. Establishment of distribution order of petroleum and petrochemicals;
12. Reporting on major consumers and retailers of petroleum products and petrochemicals, prescribed by Presidential Decree;
13. Other matters prescribed by Presidential Decree to stabilize petroleum supply and demand.

(2) Where the Minister of Trade, Industry and Energy deems that the grounds for issuing orders under paragraph (1) cease to exist, he/she shall withdraw such orders without delay. <Amended by Act No. 11690, Mar. 23, 2013>

(3) Where petroleum supply and demand has a major disruption or is likely to do so, the Minister of Trade, Industry and Energy may request the Minister of Environment to relax the standards for petroleum

products provided for in the Clean Air Conservation Act. In such case, the Minister of Environment shall comply with the request from the Minister of Trade, Industry and Energy, except in extenuating circumstances. <Amended by Act No. 11690, Mar. 23, 2013>

#### **Article 22 (Measures to Ration Petroleum, etc.)**

(1) Where the occurrence of war, incidents, natural disasters, or other events corresponding thereto or worsening market conditions of petroleum both at home and abroad has caused serious disruptions to petroleum supply and demand or is likely to do so, and the orders issued under Article 21 are deemed insufficient to stabilize petroleum supply and demand, the Minister of Trade, Industry and Energy may take any of the following measures, as prescribed by Presidential Decree: <Amended by Act No. 11690, Mar. 23, 2013>

1. The rationing of petroleum;
2. Restrictions or ban on the transfer and acquisition of petroleum;
3. Restrictions or ban on the use of petroleum;
4. Other matters prescribed by Presidential Decree to stabilize petroleum supply and demand.

(2) Where the grounds for the measures taken under paragraph (1) are deemed to have ceased to exist, the Minister of Trade, Industry and Energy shall withdraw such measures without delay. <Amended by Act No. 11690, Mar. 23, 2013>

#### **Article 23 (Maximum Sale Prices, etc. for Petroleum)**

(1) Where the import and retail prices of petroleum severely fluctuate or are likely to do so, the Minister of Trade, Industry and Energy may, where deemed necessary to stabilize people's lives and smoothly operate the Korean economy, set the maximum or minimum retail prices for petroleum for petroleum refiners, petroleum exporters or importers, or petroleum retailers, taking into account the international prices of petroleum products and the economic situations in Korea and abroad. <Amended by Act No. 11690, Mar. 23, 2013>

(2) Where the Minister of Trade, Industry and Energy sets the maximum or minimum petroleum retail prices in accordance with paragraph (1), he/she shall publicly announce them. <Amended by Act No. 11690, Mar. 23, 2013>

(3) The Government may provide financial support to petroleum refiners, petroleum exporters or importers, or petroleum retailers to help offset their losses incurred in setting the maximum or minimum petroleum retail prices in accordance with paragraph (1). <Newly Inserted by Act No. 10246, Apr. 12, 2010>

#### **Article 24 (Quality Standards, etc. for Petroleum Products)**

(1) The Minister of Trade, Industry and Energy may establish quality standards for petroleum products in order to ensure quality of petroleum products. In such case, with respect to the matters prescribed in the standards for petroleum products, set out in the Clean Air Conservation Act, the Minister of Trade, Industry and Energy shall pre-consult with the Minister of Environment. <Amended by Act No. 11690, Mar. 23, 2013>

(2) When the Minister of Trade, Industry and Energy establishes the quality standards for petroleum products in accordance with paragraph (1), he/she shall publicly announce them. *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) Where the Minister of Trade, Industry and Energy establishes the quality standards for petroleum products in accordance with paragraph (1), petroleum refiners, etc. shall maintain the quality of their petroleum products in conformity with such standards. *<Amended by Act No. 11690, Mar. 23, 2013>*

#### **Article 25 (Quality Inspections)**

(1) Where a petroleum refiner, petroleum exporter or importer, or petroleum retailer registered under the proviso to Article 10 (1) intends to sell or deliver petroleum products prescribed by Ordinance of the Ministry of Trade, Industry and Energy, he/she shall have his/her petroleum products inspected by the Korea Petroleum Quality & Distribution Authority established under Article 25-2 (hereinafter referred to as the "Korea Petroleum Quality & Distribution Authority") or other institutions designated by the Minister of Trade, Industry and Energy (hereinafter referred to as "quality inspection institutions"): Provided, That a petroleum refiner or petroleum exporter or importer who has inspection facilities and inspectors and obtains approval from the Minister of Trade, Industry and Energy (hereinafter referred to as "self-inspector") may replace such quality inspection with his/her self-quality inspection. *<Amended by Act No. 10353, Jun. 8, 2010; Act No. 11690, Mar. 23, 2013>*

(2) If deemed necessary to maintain the quality of petroleum products, the Minister of Trade, Industry and Energy may conduct a quality inspection of petroleum products that petroleum refiners, etc. sell or deliver, or manufacture, import, store, transport, or keep in custody for the purpose of selling or delivering them. *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) Methods and procedures for conducting a quality inspection and the self-quality inspection under paragraphs (1) and (2) and other necessary matters shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013>*

(4) Anyone who intends to be designated as a quality inspection institution shall file an application for designation with the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy after satisfying all of the following requirements: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. The institution shall be a testing and inspection institution approved as a non-profit corporation, in accordance with Article 23 of the Framework Act on National Standards;
2. The institution shall be equipped with inspection technicians and facilities prescribed by Ordinance of the Ministry of Trade, Industry and Energy;
3. The institution shall not be the one the designation of which as a quality inspection institution has been revoked in accordance with Article 28 (1) within two years prior to the date of filing an application for designation.

(5) Anyone who intends to obtain approval as a self-inspector in accordance with the proviso to paragraph (1) shall file an application for approval with the Minister of Trade, Industry and Energy, as prescribed by

Ordinance of the Ministry of Trade, Industry and Energy after satisfying all of the following requirements:  
<Amended by Act No. 11690, Mar. 23, 2013>

1. The institution shall be equipped with inspection technicians and facilities prescribed by Ordinance of the Ministry of Trade, Industry and Energy;
  2. The institution shall not be the one the designation of which as a self-inspector has been revoked in accordance with Article 28 (2) within two years prior to the date of filing an application for approval.
- (6) The Korea Petroleum Quality & Distribution Authority, quality inspection institutions, and self-inspectors shall keep and maintain inspection records, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy and report such inspection records to the Minister of Trade, Industry and Energy. <Amended by Act No. 11690, Mar. 23, 2013>
- (7) Deleted. <by Act No. 11234, Jan. 26, 2012>

### **Article 25 (Quality Inspections)**

(1) Where a petroleum refiner, petroleum exporter or importer, or petroleum retailer registered under the proviso to Article 10 (1) intends to sell or deliver petroleum products prescribed by Ordinance of the Ministry of Trade, Industry and Energy, he/she shall have his/her petroleum products inspected by the Korea Petroleum Quality & Distribution Authority established under Article 25-2 (hereinafter referred to as the "Korea Petroleum Quality & Distribution Authority") or other institutions designated by the Minister of Trade, Industry and Energy (hereinafter referred to as "quality inspection institutions"): Provided, That a petroleum refiner or petroleum exporter or importer who has inspection facilities and inspectors and obtains approval from the Minister of Trade, Industry and Energy (hereinafter referred to as "self-inspector") may replace such quality inspection with his/her self-quality inspection. <Amended by Act No. 10353, Jun. 8, 2010; Act No. 11690, Mar. 23, 2013>

(2) If deemed necessary to maintain the quality of petroleum products, the Minister of Trade, Industry and Energy may conduct a quality inspection of petroleum products that petroleum refiners, etc. or cooperatives or the national federation thereof established under the Fisheries Cooperatives Act sell or deliver, or manufacture, import, store, transport, or keep in custody for the purpose of selling or delivering them. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 15179, Dec. 12, 2017> <<Enforcement Date: Jun. 13, 2018>>

(3) Methods and procedures for conducting a quality inspection and the self-quality inspection under paragraphs (1) and (2) and other necessary matters shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 11690, Mar. 23, 2013>

(4) Anyone who intends to be designated as a quality inspection institution shall file an application for designation with the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy after satisfying all of the following requirements: <Amended by Act No. 11690, Mar. 23, 2013>

1. The institution shall be a testing and inspection institution approved as a non-profit corporation, in accordance with Article 23 of the Framework Act on National Standards;

2. The institution shall be equipped with inspection technicians and facilities prescribed by Ordinance of the Ministry of Trade, Industry and Energy;
3. The institution shall not be the one the designation of which as a quality inspection institution has been revoked in accordance with Article 28 (1) within two years prior to the date of filing an application for designation.

(5) Anyone who intends to obtain approval as a self-inspector in accordance with the proviso to paragraph (1) shall file an application for approval with the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy after satisfying all of the following requirements:

*<Amended by Act No. 11690, Mar. 23, 2013>*

1. The institution shall be equipped with inspection technicians and facilities prescribed by Ordinance of the Ministry of Trade, Industry and Energy;
2. The institution shall not be the one the designation of which as a self-inspector has been revoked in accordance with Article 28 (2) within two years prior to the date of filing an application for approval.

(6) The Korea Petroleum Quality & Distribution Authority, quality inspection institutions, and self-inspectors shall keep and maintain inspection records, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy and report such inspection records to the Minister of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013>*

(7) Deleted. *<by Act No. 11234, Jan. 26, 2012>*

#### **Article 25-2 (Establishment of the Korea Petroleum Quality & Distribution Authority)**

(1) The Korea Petroleum Quality & Distribution Authority shall be established in order to promote efficient and systematic distribution of petroleum and alternative fuels and the management of quality thereof.

(2) The Korea Petroleum Quality & Distribution Authority shall conduct the following business activities: *<Amended by Act No. 12294, Jan. 21, 2014; Act No. 13085, Jan. 28, 2015>*

1. Quality inspections, tests and analysis, and appraisal of petroleum and alternative fuels;
2. Monitoring, check-up, instruction, and public relations for the establishment of fair distribution order of petroleum and alternative fuels;
3. Performance evaluation of petroleum and alternative fuels;
4. Research and development to improve the quality of petroleum and alternative fuels;
5. Collection and provision of technical information and international cooperation in technology;
6. Survey and research for the establishment and revision of quality standards;
7. Technical instruction, education, and public relations on petroleum and alternative fuels;
8. Instruction and confirmation on self-instructors;
9. Business affairs entrusted under other statutes, such as inspections of the quality of liquefied petroleum gas under Article 27 of the Safety Control and Business of Liquefied Petroleum Gas Act;
10. Other business deemed necessary by the Minister of Trade, Industry and Energy with respect to the distribution of petroleum products and alternative fuels and the management of quality thereof.

(3) The Korea Petroleum Quality & Distribution Authority shall be a corporation.

(4) The Korea Petroleum Quality & Distribution Authority shall be duly established when its establishment is registered with the registry having jurisdiction over its principal place of business.

#### **Article 25-2 (Establishment of the Korea Petroleum Quality & Distribution Authority)**

(1) The Korea Petroleum Quality & Distribution Authority shall be established in order to promote efficient and systematic distribution of petroleum and alternative fuels and the management of quality thereof.

(2) The Korea Petroleum Quality & Distribution Authority shall conduct the following business activities:

*<Amended by Act No. 12294, Jan. 21, 2014; Act No. 13085, Jan. 28, 2015; Act No. 15179, Dec. 12, 2017>*

1. Quality inspections, tests and analysis, and appraisal of petroleum and alternative fuels;
2. Monitoring, check-up, instruction, and public relations for the establishment of fair distribution order of petroleum and alternative fuels;
3. Performance evaluation of petroleum and alternative fuels;
4. Research and development to improve the quality of petroleum and alternative fuels;
5. Collection and provision of technical information and international cooperation in technology;
6. Survey and research for the establishment and revision of quality standards;
7. Technical instruction, education, and public relations on petroleum and alternative fuels;
8. Instruction and confirmation on self-instructors;
9. Business affairs entrusted under other statutes, such as inspections of the quality of liquefied petroleum gas under Article 27 of the Safety Control and Business of Liquefied Petroleum Gas Act;
10. Business affairs related to the transportation, storage and handling of fake petroleum products for destruction.
11. Other business deemed necessary by the Minister of Trade, Industry and Energy with respect to the distribution of petroleum products and alternative fuels and the management of quality thereof.

(3) The Korea Petroleum Quality & Distribution Authority shall be a corporation.

(4) The Korea Petroleum Quality & Distribution Authority shall be duly established when its establishment is registered with the registry having jurisdiction over its principal place of business.

#### **Article 25-3 (Management, etc. of the Korea Petroleum Quality & Distribution Authority)**

(1) The Korea Petroleum Quality & Distribution Authority shall finance itself with the fees under Article 41 (2) and other incomes.

(2) The Government may provide financial support necessary for the Korea Petroleum Quality & Distribution Authority to conduct its business.

#### **Article 25-4 (Executive Officers)**

The Korea Petroleum Quality & Distribution Authority shall have not more than nine directors, including one chairperson and one auditor, as its executive officers.

#### **Article 25-5 (Duties of Executive Officers)**

(1) The chairperson shall represent the Korea Petroleum Quality & Distribution Authority and exercise general supervision over its affairs.

(2) Each director shall be charged with different responsibilities, as prescribed by the articles of incorporation of the Korea Petroleum Quality & Distribution Authority.

(3) The auditor shall audit the business affairs and accounts of the Korea Petroleum Quality & Distribution Authority.

#### **Article 25-6 (Supervision)**

The Minister of Trade, Industry and Energy shall direct and supervise the Korea Petroleum Quality & Distribution Authority with respect to the following matters: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. Business plans and performances;
2. Matters concerning budgeting;
3. Business entrusted by the Minister of Trade, Industry and Energy.

#### **Article 25-7 (Application Mutatis Mutandis of the Civil Act, etc.)**

The provisions concerning incorporated foundations provided for in the Civil Act shall apply mutatis mutandis to matters concerning the Korea Petroleum Quality & Distribution Authority, except as otherwise provided for in this Act and the Act on the Management of Public Institutions.

#### **Article 25-8 (Prohibition of Use of a Similar Name)**

No person other than the Korea Petroleum Quality & Distribution Authority prescribed in this Act shall use the name "the Korea Petroleum Quality & Distribution Authority" or any other name similar thereto.

#### **Article 26 (Calibration, etc. of Quality of Petroleum Products)**

(1) Any person prescribed by Presidential Decree, such as a petroleum refiner, petroleum exporter or importer, international petroleum trader, and petroleum retailer registered pursuant to the proviso to Article 10 (1), installer of oil pipelines, manager of oil pipelines provided for in the Oil Pipeline Safety Control Act may, when the quality of petroleum products that he/she intends to sell or deliver fails to meet the quality standards provided for in Article 24 (1), calibrate the quality thereof (hereinafter referred to as "calibration of the quality") so that the quality of the relevant petroleum products is in conformity with the quality standards. *<Amended by Act No. 10353, Jun. 8, 2010; Act No. 14774, Apr. 18, 2017>*

(2) Quality shall be calibrated in places designated by Presidential Decree, such as the location of any refinery registered in accordance with Article 5 (1), the location of facilities manufacturing petroleum by-products, any bonded area, or storage facilities attached to oil pipelines installed and operated by any installer and any manager of oil pipelines provided for in the Oil Pipeline Safety Control Act. *<Amended by Act No. 11081, Nov. 14, 2011; Act No. 14774, Apr. 18, 2017>*

(3) Detailed standards for, and methods of, calibrating the quality under paragraph (2) and other necessary matters shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013>*

#### **Article 26-2 (Mixture of Alternative Fuels)**

(1) Before selling or delivering petroleum products manufactured or imported, petroleum refiners or petroleum exporters or importers may mix the relevant petroleum products with an alternative fuel in accordance with the quality standards under Article 24 (1).

(2) An alternative fuel under paragraph (1) shall be mixed in places designated by Presidential Decree, such as the locations of any petroleum refinery facilities registered under Article 5 (1), bonded areas, or storage facilities attached to oil pipelines installed and managed by any installer or manager of oil pipelines under the Oil Pipeline Safety Control Act. <Amended by Act No. 14774, Apr. 18, 2017>

(3) Detailed standards for, and methods of, mixing an alternative fuel under paragraph (1) and other necessary matters shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 11690, Mar. 23, 2013>

#### **Article 27 (Prohibition, etc. of Sale of Petroleum Products that Breach Quality Standards)**

Petroleum refiners, etc. shall be prohibited from selling or delivering petroleum products that fail to meet the quality standards provided for in Article 24 (1) or other petroleum products that fail to pass a quality inspection provided for in Article 25 (1) and (2) (excluding petroleum products that have come to meet the quality standards through calibration of their quality), or storing, transporting, or keeping them for the purpose of sale or delivery.

#### **Article 28 (Revocation of Designation, etc. as Quality Inspection Institutions)**

(1) If any quality inspection institution falls under any of the following subparagraphs, the Minister of Trade, Industry and Energy may revoke its designation or order it to suspend the quality inspection for a period of not more than six months: Provided, That if a quality inspection institution falls under subparagraph 1 or 2, the Minister of Trade, Industry and Energy shall revoke its designation: <Amended by Act No. 11690, Mar. 23, 2013>

1. Where a quality inspection institution has been designated as a quality inspection institution by fraud or other improper means;
2. Where a quality inspection institution performs inspection work during the period in which it is ordered to suspend its inspection work;
3. Where a quality inspection institution fails to perform its inspection work for not less than six months without good cause;
4. Where a quality inspection institution determines the quality of petroleum products by intentional distortion;
5. Where a quality inspection institution violates methods and procedures for inspecting the quality of petroleum products provided for in Article 25 (3);
6. Where a quality inspection institution ceases to meet the designation standards provided for in Article 25 (4);
7. Where a quality inspection institution fails to keep and maintain inspection records required under Article 25 (6), falsely keeps and maintains them, fails to report the inspection records, or makes a false report on them;

8. Where a quality inspection institution rejects or delays the quality inspection without good cause.  
(2) Where any self-inspector falls under any of the following subparagraphs, the Minister of Trade, Industry and Energy may revoke his/her approval or order him/her to suspend the self-inspection work for a period of not more than six months: Provided, That when a self-inspector falls under subparagraph 1, the approval granted to him/her shall be revoked: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. Where a self-inspector obtains approval to conduct self-inspections of quality by fraud or other improper means;
2. Where a self-inspector determines the quality of any petroleum products by means of intentional distortion;
3. Where a self-inspector violates methods of and procedures for the self-quality inspection provided for in Article 25 (3);
4. Where a self-inspector ceases to meet the approval standards provided for in Article 25 (5);
5. Where a self-inspector fails to keep and maintain inspection records required under Article 25 (6), falsely keeps and maintains them, fails to report such inspection records or makes a false report on them.

(3) Necessary matters concerning the revocation of designation and approval pursuant to paragraphs (1) and (2) and standards for suspending inspection works, etc. shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013>*

#### **Article 29 (Prohibition against Manufacture, etc. of Fake Petroleum Products)**

(1) No one shall engage in any of the following acts of manufacturing, etc. fake petroleum products: *<Amended by Act No. 10958, Jul. 25, 2011; Act No. 11234, Jan. 26, 2012>*

1. Manufacturing, importing, storing, transporting, keeping, or selling fake petroleum products;
2. Using fake petroleum products with knowledge of the fact that the product is fake petroleum product, or using such products sold by a person who is not registered or fails to make a report under Articles 10 and 33;
3. Supplying, selling, storing, transporting, or keeping petroleum products, petrochemicals, alternative fuels, or materials containing carbon and hydrogen, in order to use them in manufacturing fake petroleum products or using them as fake petroleum products.

(2) Notwithstanding paragraph (1), each of the following subparagraphs shall not be deemed acts such as manufacturing of fake petroleum products under paragraph (1): *<Amended by Act No. 10353, Jun. 8, 2010; Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014; Act No. 14774, Apr. 18, 2017>*

1. Where any petroleum refiner manufactures petroleum products by using a refinery registered in accordance with Article 5 (1);
2. Where any petroleum refiner, petroleum exporter or importer, or international petroleum trader calibrates the quality;

3. Where any petroleum refiner or petroleum exporter or importer mixes an alternative fuel under Article 26-2;
4. Where the fuel is manufactured by any method provided in any item of subparagraph 10 of Article 2 for the purpose of test and research, or such fuel manufactured is stored, transported, or kept;
5. Where the fuel is manufactured or sold for special purposes, including racing cars, prescribed by Ordinance of the Ministry of Trade, Industry and Energy;
- 5-2. Where an international petroleum trader trades any petroleum product in a bonded area after manufacturing it by mixing a petroleum product, etc. in the general bonded area (including cases of manufacturing it by outsourcing to a person who has established and is operating a place for general bonded business in a general bonded area);
6. Where the fuel can be used as a substitute for petroleum products and the Minister of Trade, Industry and Energy deems that its use and distribution need to be expanded and therefore publicly announces the methods of use and distribution, target products, procedures, etc. after consulting thereon with the Minister of Strategy and Finance.

### **Article 30 (Order to Stop Manufacturing, etc. Fake Petroleum Products)**

(1) The Minister of Trade, Industry and Energy, a Mayor/Do Governor or the head of a Si/Gun/Gu may issue the following orders to, or take the following measures against, a person who violates or is deemed to violate Article 29. In such case, if any person who has received an order for destruction, closure, or removal under subparagraph 4 or 5 fails to comply with such order, the order may be vicariously executed in accordance with the Administrative Vicarious Execution Act: <Amended by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>

1. An order to cease manufacturing, selling, transporting, and using fake petroleum products;
2. An order to cease supplying, selling, and transporting petroleum products, petrochemicals, alternative fuels, or materials containing carbon and oxygen;
3. An order to cease using facilities, vehicles, and other things used for the manufacture, supply, etc. referred to in subparagraph 1 or 2, and taking measures to place seals thereon;
4. An order to destroy the products or materials referred to in subparagraph 1 or 2;
5. An order to close or remove a manufacturing site, retail shops, and storage facilities.

(2) Where anyone who obtains permission, authorization, license, or registration (hereinafter referred to as "permission, etc.") from the relevant administrative agency manufactures, stores, transports, keeps, or sells fake petroleum products in violation of Article 29, or supplies petroleum products, petrochemicals, alternative fuels, or materials containing carbon and oxygen, in order to use them in manufacturing fake petroleum products or use them as fake petroleum products, the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu may request the head of the relevant administrative agency to suspend his/her business or revoke such permission, etc. <Amended by Act No. 10958, Jul. 25, 2011; Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>

(3) The head of the relevant administrative agency shall, upon receipt of a request under paragraph (2), actively cooperate with such request except in extenuating circumstances.

#### **Article 31 (Quality Standards, etc. for Alternative Fuels)**

(1) The Minister of Trade, Industry and Energy may establish quality standards for alternative fuels to ensure appropriate quality of alternative fuels. In such case, the Minister of Trade, Industry and Energy shall establish quality standards that affect the air environment after pre-consulting with the Minister of Environment. *<Amended by Act No. 11690, Mar. 23, 2013>*

(2) Where the Minister of Trade, Industry and Energy establishes the quality standards for alternative fuels in accordance with paragraph (1), he/she shall publicly announce them. *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) Where any business entity manufacturing and exporting or importing alternative fuels intends to sell or deliver the alternative fuel, he/she shall undergo an inspection conducted by the Korea Petroleum Quality & Distribution Authority or any quality inspection institution.

(4) If deemed necessary to maintain the quality of an alternative fuel, the Minister of Trade, Industry and Energy may inspect the quality of the alternative fuel sold or delivered, or manufactured, imported, stored, transported, or kept by any business entity manufacturing and exporting or importing alternative fuels or any alternative fuel retailer (hereinafter referred to as "the manufacturer, etc. of alternative fuels"; hereinafter the same shall apply) for the purpose of sale or delivery. *<Amended by Act No. 11690, Mar. 23, 2013>*

(5) Any manufacturer, etc. of alternative fuels shall be prohibited from selling or delivering any alternative fuel that fails to meet the quality standards under paragraph (1) or is rejected as a result of the quality inspection conducted pursuant to paragraphs (3) and (4), or storing, transporting or keeping such fuel for the purpose of sale or delivery.

(6) Methods and procedures for inspecting the quality pursuant to paragraphs (3) and (4) and other necessary matters shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013>*

(7) Article 25 (6) shall apply mutatis mutandis to any alternative fuel manufacturing business entities, etc. *<Amended by Act No. 11234, Jan. 26, 2012>*

#### **Article 32 (Registration, etc. of Business of Manufacturing and Exporting or Importing Alternative Fuels)**

(1) Anyone who intends to conduct the business of manufacturing and exporting or importing alternative fuels shall file for registration with the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy: Provided, That the same shall not apply to any of the following cases: *<Amended by Act No. 11690, Mar. 23, 2013>*

1. Where he/she intends to conduct only the business of exporting alternative fuels;
2. Where he/she imports any alternative fuel whose quantity does not exceed the quantity prescribed by Presidential Decree for his/her own use.

(2) Where anyone who has filed for registration in accordance with paragraph (1) intends to modify any registered matter prescribed by Presidential Decree, he/she shall file for registration of modification with the Minister of Trade, Industry and Energy, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 11690, Mar. 23, 2013>

(3) Registration requirements, including facility standards for the business of manufacturing and exporting or importing alternative fuels under paragraph (1) shall be prescribed by Presidential Decree.

(4) Articles 6 through 8, 11, 12, and 26 shall apply mutatis mutandis to business of manufacturing and exporting or importing alternative fuels. In such case, "petroleum refinery business" in the main sentence of Article 6 shall be construed as "business of manufacturing and exporting or importing alternative fuels;" "Article 13 (1)" and "petroleum refinery business" in subparagraph 6 of the same Article shall be construed as "Article 34" and "business of manufacturing and exporting or importing alternative fuels," respectively; "petroleum refiner" and "refineries" in Article 7 shall be construed as "business entity manufacturing and exporting or importing alternative fuels," respectively; "facilities of manufacturing and exporting or importing alternative fuels", and "petroleum refiner" in Article 8 shall be construed as "business entity manufacturing and exporting or importing alternative fuels, respectively"; "Article 5" in Article 11 as "Article 32;" "petroleum refiner" in Article 12 as "a business entity manufacturing and exporting or importing alternative fuels;" "petroleum refiner" and "petroleum products" in Article 26 as "a business entity manufacturing and exporting or importing alternative fuels" and "alternative fuels, respectively;" and "Article 24 (1)," "Article 5 (1)" and "refinery" in the same Article shall be construed as "Article 31 (1)," "Article 32 (1)" and "facility of manufacturing alternative fuels," respectively.

### **Article 33 (Registration, etc. of Alternative Fuel Retail Business)**

(1) Anyone who intends to conduct alternative fuel retail business shall file for registration with a Mayor/Do Governor or the head of a Si/Gun/Gu, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. If anyone intends to modify any registered matter prescribed by Presidential Decree, he/she shall file for registration of modification with a Mayor/Do Governor or the head of a Si/Gun/Gu, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. <Amended by Act No. 11690, Mar. 23, 2013>

(2) Types of alternative fuel retail business to be registered with a Mayor/ Do Governor or the head of a Si/Gun/Gu under paragraph (1), alternative fuels allowed to be traded, registration requirements, including facility standards shall be prescribed by Presidential Decree.

(3) Articles 6 through 8, 11 and 12 shall apply mutatis mutandis to the alternative fuel retail business. In such case, "petroleum refinery business" in the main sentence of Article 6 shall be construed as "the alternative fuel retail business"; "Article 13 (1)" and "petroleum refinery business" in subparagraph 6 of the same Article as "Article 34" and "the alternative fuel retail business," respectively"; "petroleum refiner" and "refinery" in Article 7 as "the alternative fuel retailer" and "facilities of selling alternative fuels," respectively; "petroleum refiner" in Article 8 as "the alternative fuel retailer;" "Article 10" in Article 11 as "Article 33;" and "petroleum retailer" in Article 12 as "the alternative fuel retailer,"

respectively.

### **Article 33-2 (Restrictions on Registration of Alternative Fuel Business)**

No person who intends to file for registration of any of the following alternative fuel business pursuant to Articles 32 and 33 shall file for registration of the relevant alternative fuel business in the following subparagraphs using all facilities used for the operation thereof or the key facilities prescribed by Presidential Decree, until two years have passed after grounds provided in items of the relevant subparagraph arise: <Amended by Act No. 11234, Jan. 26, 2012>

1. The business of manufacturing and exporting or importing alternative fuels:
  - (a) Where the registration of business of manufacturing and exporting or importing alternative fuels is revoked, falling under any of subparagraphs 1, 1-2, 2 and 3 of Article 34;
  - (b) Where the registration of the business of manufacturing and exporting or importing alternative fuels is revoked, falling under subparagraph 10 or 11 of Article 34;
2. The alternative fuel retail business:
  - (a) Where the registration of the alternative fuel retail business is revoked, falling under subparagraphs 1, 1-2, 2 and 3 of Article 34;
  - (b) Where the registration of the alternative fuel retail business is revoked, falling under subparagraph 10 or 11 of Article 34.

### **Article 34 (Revocation, etc. of Registration)**

Where any manufacturer, etc. of alternative fuels falls under any of the following cases, the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu may revoke the registration of his/her business of manufacturing and exporting or importing alternative fuels or his/her alternative fuel retail business, or order him/her to fully or partially suspend his/her business for a fixed period not exceeding six months: Provided, That if he/she falls under any of subparagraphs 4 through 7, the registration of his/her business shall be revoked: <Amended by Act No. 10353, Jun. 8, 2010; Act No. 10958, Jul. 25, 2011; Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>

1. Where he/she manufactures, imports, stores, transports, keeps, or sells fake petroleum products in violation of Article 29 (1) 1;
- 1-2. Where he/she violates the order or damages the seals referred to in Article 30 (1);
2. Where he/she sells or delivers any alternative fuel that has not undergone a quality test required under Article 31 (3), or refuses, obstructs, or evades a quality inspection conducted under paragraph (4) of the same Article;
3. Where he/she violates Article 31 (5);
4. Where he/she has filed for registration under Article 32 (1) or 33 (1), by fraud or other improper means;
5. Where he/she discontinues his/her business of manufacturing and exporting or importing alternative fuels or his/her alternative fuel retail business;

6. Where he/she becomes disqualified under any of subparagraphs 1 through 5 or subparagraph 7 of Article 6, as applied mutatis mutandis under Articles 32 (4) and 33 (3) (excluding where the representative of a corporation is replaced with another representative who is not disqualified on the grounds for disqualification within six months);
7. Where he/she fails to commence his/her business without good cause within a period specified in Article 12 (1) as applied mutatis mutandis under Articles 32 (4) and 33 (3) or he/she fails to conduct his/her business of manufacturing and exporting or importing alternative fuels or his/her alternative fuel retail business for at least one year after commencing his/her business;
- 7-2. Where he/she calibrates the quality, in violation of Article 26 (2), as applied mutatis mutandis under Article 32 (4);
8. Where he/she breaches the registration requirements, including the facility standards provided for in Article 32 (3) or 33 (2);
9. Where he/she fails to fulfill the obligation to stockpile alternative fuels provided in Article 36;
10. Where he/she refuses, obstructs, or evades the inspection provided in Article 38 (1);
11. Where he/she violates the prohibition of acts provided in Article 39.

#### **Article 35 (Penalty Surcharges)**

(1) Where any business entity manufacturing and exporting or importing alternative fuels falls under any of subparagraphs 1, 1-2, 2, 3, 10 and 11 of Article 34, or any alternative fuel retailer falls under any of subparagraphs 1 through 3, 8, 10 and 11 of Article 34, the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu may impose a penalty surcharge not exceeding 500 million won in lieu of the business suspension under Article 34: Provided, That this shall not apply to cases prescribed by Ordinance of the Ministry of Trade, Industry and Energy, such as the manufacture and sale of fake petroleum products through conversion of a business facility or by removing colorants or identification materials. *<Amended by Act No. 11081, Nov. 14, 2011; Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>*

(2) Where a business entity manufacturing and exporting or importing alternative fuels falls under subparagraph 8 of Article 34, the Minister of Trade, Industry and Energy may impose a penalty surcharge not exceeding the value of the quantity of alternative fuels produced or imported during the period of breach of the relevant registration requirements in lieu of business suspension. *<Amended by Act No. 11690, Mar. 23, 2013>*

(3) Where a business entity manufacturing and exporting or importing any alternative fuel fails to fulfill his/her obligation to stockpile alternative fuels pursuant to Article 36, the Minister of Trade, Industry and Energy may impose a penalty surcharge not exceeding the value of shortfall in the obligatory stockpile quantity during the period of failure to fulfill his/her obligation to stockpile alternative fuels, in lieu of business suspension under Article 34. *<Amended by Act No. 11690, Mar. 23, 2013>*

(4) The amount of penalty surcharges imposed according to the types and severity of a violation under paragraph (1), the method of calculating the penalty surcharges under paragraphs (2) and (3) and other

necessary matters shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013>*

(5) Where a person liable to pay the penalty surcharge under paragraphs (1) through (3) fails to pay it by the payment deadline, the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu shall collect the amount due in the same manner as delinquent national taxes are collected or in accordance with the Act on the Collection, etc. of Local Non-Tax Revenue, or shall cancel a disposition to impose the penalty surcharge under paragraphs (1) through (3) and then take a disposition to suspend the business of manufacturing and exporting or importing alternative fuels or the alternative fuel retail business in accordance with Article 34. *<Amended by Act No. 10353, Jun. 8, 2010; Act No. 11690, Mar. 23, 2013; Act No. 11998, Aug. 6, 2013>*

(6) The amount collected by the Minister of Trade, Industry and Energy, among the penalty surcharges imposed under paragraphs (1) through (3), shall devolve on to the Special Accounts for Energy and Resources-Related Projects, and the amount collected by a Mayor/Do Governor or the head of a Si/Gun/Gu shall devolve on the relevant local government. *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12154, Jan. 1, 2014>*

#### **Article 36 (Obligation to Stockpile Alternative Fuels)**

The Minister of Trade, Industry and Energy may require a business entity manufacturing and exporting or importing alternative fuels to stockpile alternative fuels in order to stabilize the supply of and demand for petroleum and alternative fuels, as prescribed by Presidential Decree. *<Amended by Act No. 11690, Mar. 23, 2013>*

#### **Article 37 (Surcharges on Import and Retail of Alternative Fuels)**

(1) The Minister of Trade, Industry and Energy may collect import surcharges or levy on retail fuels from a business entity manufacturing and exporting or importing alternative fuels to the extent necessary to stabilize the supply of and demand for as wells as price of petroleum: Provided, That such surcharges shall not be imposed where it is reasonable not to collect surcharges for any cause prescribed by Presidential Decree, such as where any alternative fuel is imported to fulfil the obligation to stockpile alternative fuels under Article 36. *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014>*

(2) The amount of surcharges referred to in paragraph (1) shall be prescribed by Presidential Decree within the scope of 36 won per liter of any alternative fuel imported and sold (where the alternative fuel is in the form of gas, the amount equivalent to 36 won per liter based on the time the gas is liquefied).

(3) In cases falling under paragraph (1), persons obliged to pay surcharges under paragraph (1), imposition standards, methods of collecting dues, postponement of collection of surcharges, and other necessary matters concerning the imposition and collection of surcharges shall be prescribed by Presidential Decree.

(4) Where any person obliged to pay surcharges under paragraph (1) fails to pay them by the payment deadline, the Minister of Trade, Industry and Energy shall collect additional surcharges set by Presidential Decree for a period counting from the day following the payment deadline to the day when the payment is made. *<Amended by Act No. 11690, Mar. 23, 2013>*

(5) Where any person obliged to pay surcharges under paragraph (1) fails to pay them by the payment deadline, the Minister of Trade, Industry and Energy shall urge the person to pay the surcharges within a fixed period, and if he/she fails to pay the surcharges and additional surcharges under paragraph (4) again within the period, the Minister of Trade, Industry and Energy may collect such surcharges and additional surcharges in the same manner as delinquent national taxes are collected. *<Amended by Act No. 11690, Mar. 23, 2013>*

(6) All surcharges and additional surcharges collected under paragraphs (1) and (4) shall escheat to the Special Accounts for Energy and Resources-Related Projects. *<Amended by Act No. 12154, Jan. 1, 2014>*

(7) Articles 18 (7) and (8), 19, 19-2 and 20 shall apply mutatis mutandis to filing of objections to the collection of surcharges and additional dues, the refund and appropriation of surcharges and the amount overpaid and erroneously paid for alternative fuels, the recovery of over-refunded money and the administrative affairs involving the collection of dues. In such case, "Article 18" and "petroleum" in Article 19 shall be construed as "Article 37" and "alternative fuels;" "Article 19" in Article 19-2 as "Article 37;" and "Article 18", "Article 19" and "Article 19-2" in Article 20 as "Article 37," respectively. *<Amended by Act No. 11234, Jan. 26, 2012>*

#### **Article 38 (Reporting and Inspection)**

(1) The Minister of Trade, Industry and Energy, a Mayor/Do Governor or the head of a Si/Gun/Gu may order petroleum refiners, etc., international petroleum traders, manufacturers, etc. of alternative fuels to report their business, or require public officials under his/her jurisdiction to enter offices or places of business (including vehicles used for business purposes) of petroleum refiners, etc. international petroleum traders, or manufacturers, etc. of alternative fuels, or those for whom it is deemed necessary to check for any violation of obligations under subparagraph of Article 21 (1), 29 or 39 in order to inspect their books, documents, facilities, or other things or to collect samples, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 10353, Jun. 8, 2010; Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013; Act No. 14774, Apr. 18, 2017>*

(2) Where any measure prescribed in Article 22 is taken or where deemed necessary to verify whether the obligations prescribed in Articles 29 and 30 are fulfilled, the Minister of Trade, Industry and Energy may order major consumers of petroleum, including solvent, prescribed by Presidential Decree to report their current state of consumption of petroleum, or require public officials under his/her jurisdiction to enter the offices and places of business of such petroleum consumers in order to inspect their books, documents, facilities or other things, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>*

(3) A public official inspecting or collecting samples in accordance with paragraphs (1) and (2) shall carry a document indicating his/her authority and present it to interest persons.

#### **Article 38-2 (Reporting, Disclosure, and Marking of Sale Prices of Petroleum Products)**

(1) Petroleum refiners, petroleum exporters or importers, and petroleum retailers shall report the sale prices of their petroleum products to the Minister of Trade, Industry and Energy, as prescribed by

Presidential Decree. <Amended by Act No. 11690, Mar. 23, 2013>

(2) In order to promote competition by enhancing transparency in transactions and set adequate sale prices of petroleum products, the Minister of Trade, Industry and Energy shall disclose the sale prices of petroleum products of petroleum refiners, petroleum exporters or importers, and petroleum retailers to the extent that it does not infringe on their trade secrets under subparagraph 2 of Article 2 of the Unfair Competition Prevention and Trade Secret Protection Act. <Amended by Act No. 11690, Mar. 23, 2013>

(3) A petroleum retailer shall mark the retail prices of petroleum products by installing price boards. <Amended by Act No. 12294, Jan. 21, 2014>

(4) The Minister of Trade, Industry and Energy may entrust any work regarding reporting and disclosure of retail prices of petroleum products under paragraphs (1) and (2) to any institution or entity prescribed by Presidential Decree. <Amended by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>

(5) Detailed methods and procedures for reporting, disclosure, etc. of retail prices of petroleum products, types and location of price boards, price-marking methods, and other relevant matters under paragraphs (1) through (4) shall be prescribed by Presidential Decree. <Amended by Act No. 11234, Jan. 26, 2012; Act No. 12294, Jan. 21, 2014>

#### **Article 38-3 (Confidentiality)**

Any of the following persons shall neither provide nor disclose to any other person or institution, any information or data that he/she has obtained while performing his/her task of receiving reports under Articles 38 and 38-2, nor make use of them for any purpose, other than the purposes prescribed by Presidential Decree, such as verifying whether the obligation under Article 29 is violated:

1. Any public official performing the task of receiving reports under Articles 38 and 38-2;
2. Any person entrusted with the task of receiving reports under Articles 38 and 38-2.

#### **Article 39 (Prohibited Conduct)**

(1) No petroleum refiner, petroleum exporter, or importer, international petroleum trader, petroleum retailer, petroleum stockpiling agent, or an alternative fuel manufacturer shall engage in any of the following conduct. Further details concerning the types of business facilities referred to in subparagraphs 1 and 4 and the installation and alteration of such facilities, shall be prescribed by Presidential Decree: <Amended by Act No. 11234, Jan. 26, 2012; Act No. 12294, Jan. 21, 2014; Act No. 13085, Jan. 28, 2015; Act No. 14774, Apr. 18, 2017>

1. Installing or converting business facilities, or using such business facilities so installed or converted, by way of transfer or lease, for the purpose of manufacturing, etc. fake petroleum products referred to in Article 29 (1) 1;
2. Selling petroleum or any alternative fuel that falls short of the normal quantity beyond the user's tolerance prescribed by Presidential Decree;
3. Selling petroleum or any alternative fuel by increasing volume fraudulently by artificially heating petroleum or other methods;

4. Installing or altering business facilities or purchasing or leasing and using business facilities already installed or altered, for the purpose of selling with less than the normal quantity as referred to in subparagraph 2 or selling with fraudulently increased volume as referred to in subparagraph 3;
  5. Suspending or reducing the production of petroleum and any alternative fuel, or restricting the shipment and sale of petroleum and any alternative fuel without good cause;
  6. Selling petroleum in excess of the maximum retail prices or below the minimum retail prices under Article 23;
  7. Hoarding petroleum and any alternative fuel for excessive profit;
  8. Selling kerosene, secondary fuel oil, bio-diesel, bio-ethanol, solvent, lubricant, base oil, light oil for ships, or petroleum intermediate products as fuel for motor vehicles defined in subparagraph 1 of Article 2 of the Motor Vehicle Management Act or motor vehicles and machines prescribed by Presidential Decree;
  9. Shipping out petroleum to be used in vessels bound for overseas or deep-sea fishing vessels prescribed in Article 18 (1) 9 of the Individual Consumption Tax Act and Article 15 (1) 3 of the Traffic, Energy and Environment Tax Act for any other purpose, or knowingly obtaining any such petroleum;
  10. Any other conduct prescribed by Presidential Decree, which undermines the sound and orderly distribution of petroleum and alternative fuels.
- (2) No one, except petroleum retailers, may conduct petroleum retail business other than that prescribed in Article 10 (6): Provided, That the same shall not apply in any of the following cases: *<Amended by Act No. 10353, Jun. 8, 2010; Act No. 11690, Mar. 23, 2013; Act No. 15179, Dec. 12, 2017>*
1. Where petroleum is traded among petroleum refiners or petroleum exporters or importers;
  2. Where petroleum products prescribed by Ordinance of the Ministry of Trade, Industry and Energy, are traded among petroleum refiners, petroleum exporters or importers, or petroleum retailers registered pursuant to the proviso to Article 10 (1);
  3. Where construction business entities performing construction works under subparagraph 4 of Article 2 of the Framework Act on the Construction Industry, directly provide petroleum to the construction machinery, (referring to the one under Article 2 (1) 1 of the Construction Machinery Management Act) which is used on the construction works, without being paid for such petroleum by using the facilities prescribed by Presidential Decree, among facilities owned by the said entities at the construction sites: Provided, That in cases of dump trucks and concrete mixer trucks, this shall apply only when using the facilities prescribed by Presidential Decree;
  4. Other conduct prescribed by Presidential Decree as deemed necessary to stabilize the supply of and demand for petroleum.
- (3) No one shall use kerosene, secondary fuel oil, bio-diesel, bio-ethanol, solvent, lubricant, base oil, light oil for ships, or petroleum intermediate products as fuel for motor vehicles as defined in subparagraph 1 of Article 2 of the Motor Vehicle Management Act, and for vehicles and machines prescribed by Presidential Decree.

(4) No petroleum retailer shall commit any of the following offences: <Newly Inserted by Act No. 11081, Nov. 14, 2011; Act No. 11873, Jun. 7, 2013; Act No. 12294, Jan. 21, 2014>

1. Falsely issuing a tax invoice prescribed in Article 32 of the Value-Added Tax Act as a document for an application for financial assistance under Article 43 of the Trucking Transport Business Act;
2. Conducting a transaction by masquerading it as the sale of petroleum products subject to financial assistance under Article 43 of the Trucking Transport Business Act, conducting a transaction with a credit card defined in subparagraph 3 of Article 2 of the Specialized Credit Finance Business Act in excess of the actual amount of sale, or arranging a third person to conduct such transaction on his/her behalf;
3. Selling petroleum to be used in agriculture, forestry, or fisheries under Article 106-2 (1) 1 of the Restriction of Special Taxation Act, for any purpose other than using it in agriculture, forestry, or fisheries.

#### **Article 39-2 (Public Announcement)**

In any of the following cases, the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu may publicly announce relevant facts, as prescribed by Ordinance of the Minister of Trade, Industry and Energy: Provided, That facts in the case of subparagraph 2 shall be publicly announced without exception: <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014; Act No. 13085, Jan. 28, 2015; Act No. 14774, Apr. 18, 2017>

1. Where the quality of petroleum products of any petroleum refiner, etc. fails to meet the quality standards established under Article 24 (1), as a result of a quality inspection conducted under Article 25 (2);
2. Where any petroleum refiner, etc. or manufacturer, etc. of an alternative fuel is found to have violated the obligations to prohibit manufacturing, etc. of fake petroleum products prescribed in Article 29;
3. Where the quality of an alternative fuel of manufacturer, etc. of any alternative fuel fails to meet the quality standards established under Article 31 (1), as a result of a quality inspection conducted under Article 34 (4);
4. Where any petroleum refiner, petroleum exporter or importer, international petroleum trader, petroleum retailer, petroleum stockpiling agent, or manufacturer, etc. of an alternative fuel are found to have committed any of the following offences:
  - (a) Selling petroleum or any alternative fuel that falls short of the fixed quantity beyond user's tolerance, in violation of Article 39 (1) 2;
  - (b) Selling petroleum or any alternative fuel with its volume fraudulently increased by applying heat artificially or by any other means, in violation of Article 39 (1) 3;
  - (c) Selling kerosene, secondary fuel oil, or any similar substance as fuel for motor vehicles, vehicles, or machines, in violation of Article 39 (1) 8.

#### **Article 40 (Hearings)**

Where the Minister of Trade, Industry and Energy, a Mayor/Do Governor or the head of a Si/Gun/Gu intends to make any of the following dispositions, he/she shall hold a hearing: *<Amended by Act No. 11690, Mar. 23, 2013; Act No. 14774, Apr. 18, 2017>*

1. Revoking registration or closing the place of business in accordance with Article 13 (1) through (4) or (6), or Article 34;
2. Revoking the designation or approval in accordance with Article 28.

#### **Article 41 (Fees)**

(1) Anyone who intends to file for registration of or make a report on petroleum retail business under the main sentence of Article 10 (1) and (2) or the alternative fuel retail business provided for in Article 33 (1) shall pay fees, as prescribed by Municipal Ordinance of the relevant local government. *<Amended by Act No. 10353, Jun. 8, 2010>*

(2) Anyone who intends to undergo a quality inspection provided for in Article 25 (1) or 31 (3) shall pay fees to the Korea Petroleum Quality & Distribution Authority or the relevant quality inspection institution.

(3) In the case of paragraph (2), the amount of fees, methods of collecting them, the purpose thereof, and other necessary matters shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013>*

#### **Article 41-2 (Granting Monetary Rewards)**

(1) The Minister of Trade, Industry and Energy may grant a monetary reward within budgetary limits to any person who reports or blows the whistle on a person committing a violation, such as manufacturing fake petroleum products, in violation of Article 29 (1), to any administrative agency or investigation authority. *<Amended by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>*

(2) Matters necessary concerning types of violation subject to monetary rewards, the criteria for and methods of granting monetary rewards shall be prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 11690, Mar. 23, 2013>*

#### **Article 41-3 (Requests for Data)**

(1) Where the Minister of Trade, Industry and Energy deems it necessary in connection with any of the following matters, he/she may request the head of a relevant tax office, local government, or the head of a relevant customs office, in writing, to provide him/her with tax information in accordance with the Framework Act on National Taxes, the Framework Act on Local Taxes, or the Customs Act: *<Amended by Act No. 13085, Jan. 28, 2015>*

1. Collection of surcharges or additional dues under Article 18 (1) or (4) or Article 37 (1) or (4);
2. Ascertainment of breaches of obligations referred to in any provision of Articles 29 and 39 (1) 1 through 4, 8, and 10.

(2) Notwithstanding paragraph (1), the tax information requested under the Framework Act on National Taxes for the purpose specified in paragraph (1) 2 shall be limited to the lists of tax invoices defined in Article 54 of the Value-Added Tax Act, for the person against whom a report or a criminal complaint has been filed under Article 41-2 (1). *<Newly Inserted by Act No. 13085, Jan. 28, 2015>*

(3) The Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu may request the head of a relevant administrative agency, local government, or the head of a public institution defined in the Act on the Management of Public Institutions, to provide him/her with data necessary for any of the following matters: <Amended by Act No. 11690, Mar. 23, 2013; Act No. 13085, Jan. 28, 2015>

1. Collection of surcharges or additional surcharges under Article 18 (1) or (4) or Article 37 (1) or (4);
2. Ascertainment of breaches of obligations referred to in Article 29 or 39.

(4) Each person requested to provide tax information or data under paragraphs (1) through (3) shall comply with such request, except in extenuating circumstances. <Amended by Act No. 13085, Jan. 28, 2015>

#### **Article 42 (Guidance and Supervision)**

Where the disruption of order in petroleum distribution undermines or is likely to undermine the people's livelihood and the stability of petroleum supply and demand, the Minister of Trade, Industry and Energy shall guide and supervise the administrative affairs entrusted to a Mayor/Do Governor or the head of a Si/Gun/Gu under this Act. <Amended by Act No. 11690, Mar. 23, 2013>

#### **Article 43 (Delegation and Entrustment of Authority)**

(1) The Minister of Trade, Industry and Energy may delegate part of his/her authority vested under this Act to a Mayor/Do Governor or the head of a Si/Gun/Gu, as prescribed by Presidential Decree. <Amended by Act No. 11690, Mar. 23, 2013>

(2) The Minister of Trade, Industry and Energy, a Mayor/Do Governor or the head of a Si/Gun/Gu may entrust part of his/her authority vested under this Act to the Corporation, the Korea Petroleum Quality & Distribution Authority, any quality inspection institution, or corporation established for promoting a sound development of the petroleum industry upon obtaining permission therefor from the Minister of Trade, Industry and Energy, as prescribed by Presidential Decree. <Amended by Act No. 11690, Mar. 23, 2013>

(3) Notwithstanding paragraph (2), the Minister of Trade, Industry and Energy, a Mayor/Do Governor, or the head of a Si/Gun/Gu may entrust the Korea Petroleum Quality & Distribution Authority with his/her authority prescribed in Article 30 (1) 1 through 4. In such case, the entrustment shall be made only in urgent and unavoidable circumstances in which a serious injury or dangerous incident has occurred or is likely to occur. <Newly Inserted by Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013>

#### **Article 44 (Penalty Provisions)**

Any of the following persons shall be punished by imprisonment with labor for not more than five years or by a fine not exceeding 200 million won: <Amended by Act No. 10958, Jul. 25, 2011; Act No. 11234, Jan. 26, 2012>

1. and 2. Deleted; <by Act No. 12294, Jan. 21, 2014>

3. Any person who manufactures, imports, stores, transports, keeps, or sells fake petroleum products in violation of Article 29 (1) 1, or a person who supplies, sells, stores, transports or keeps petroleum products, petrochemicals, alternative fuels, or materials containing carbon and oxygen in order to manufacture them or use them as fake petroleum products in violation of Article 29 (1) 3;

4. Deleted; <by Act No. 12294, Jan. 21, 2014>

5. Any person who violates the order or damages the seals referred to in Article 30 (1);

6. Any person who does prohibited acts prescribed in Article 39 (1) 1.

#### **Article 44-2 (Penalty Provisions)**

Any of the following persons shall be punished by imprisonment with labor for not more than three years or by a fine not exceeding 200 million won: <Amended by Act No. 13085, Jan. 28, 2015>

1. Any person who conducts petroleum refinery business without filing for registration under Article 5 (1);

2. Any person who conducts petroleum export-import business (excluding natural gas export-import business and liquefied petroleum gas export-import business) without filing for registration under Article 9 (1);

3. Any person who conducts the business of manufacturing or exporting and importing alternative fuels without filing for registration under Article 32 (1).

#### **Article 45 (Penalty Provisions)**

Any of the following persons shall be punished by imprisonment with labor for not more than three years or by a fine not exceeding 100 million won: <Amended by Act No. 11234, Jan. 26, 2012; Act No. 13085, Jan. 28, 2015>

1. A person who fails to comply with an order to suspend his/her business issued under Article 13 (1) or (2);

2. A person who fails to fulfill his/her obligation to stockpile petroleum under Article 17;

3. A person who violates the measures prescribed in Article 22 (1);

4. A person who fails to undergo a quality inspection prescribed in Article 25 (1) or refuses, obstructs, or evades a quality inspection prescribed in paragraph (2) of the same Article;

5. A person who violates prohibition, etc. against selling petroleum products that fall short of the quality standards referred to in Article 27;

6. A person who fails to undergo a quality inspection prescribed in Article 31 (3) or refuses, obstructs, or evades a quality inspection prescribed in paragraph (4) of the same Article;

7. A person who violates Article 31 (5);

8. Any business entity manufacturing and exporting or importing alternative fuels who fails to comply with an order to suspend his/her business issued under Article 34;

9. A person who fails to fulfill his/her obligation to stockpile alternative fuels under Article 36;

10. A person who conducts any of the acts prohibited under Article 39 (1) 5 through 7 or 39 (2).

#### **Article 45-2 (Penalty Provisions)**

Anyone who provides or discloses to any other person or institution, any information or data that he/she has obtained while performing his/her duties of receiving reports or who makes use of them for any purpose other than the prescribed purposes, in violation of Article 38-3, shall be punished by imprisonment with labor for not more than two years or by a fine not exceeding 200 million won.

#### **Article 46 (Penalty Provisions)**

Any of the following persons shall be punished by imprisonment with labor for not more than two years or by a fine not exceeding 50 million won: <Amended by Act No. 10353, Jun. 8, 2010; Act No. 11234, Jan. 26, 2012; Act No. 13085, Jan. 28, 2015; Act No. 14774, Apr. 18, 2017; Act No. 15179, Dec. 12, 2017>

1. A person who conducts petroleum refinery business without making a report prescribed in Article 5 (2) or after making a false report;
2. A person who conducts petroleum retail business without filing for registration under Article 10 (1);
3. A person who sells petroleum products other than the petroleum products allowed to be traded or who supplies such petroleum products to other petroleum retailers, in violation of Article 10 (6);
4. A person who fails to comply with an order to suspend his/her business issued under Article 13 (4);
5. A person who violates an order issued under Article 21 (1);
6. A person who calibrates the quality, in violation of Article 26 (2) (including cases applied mutatis mutandis under Article 32 (4));
7. A person who conducts alternative fuel retail business without filing for registration under Article 33;
8. Any alternative fuel retailer that fails to comply with an order to suspend his/her business issued under Article 34;
9. A person who refuses, interferes with, or evades an inspection and a collection of samples prescribed in Article 38 (1) or (2);
10. A person who violates prohibition against the acts specified in Article 39 (1) 2 through 4, 8, and 10.

#### **Article 47 (Penalty Provisions)**

Any of the following persons shall be punished by imprisonment with labor for not more than one year or by a fine not exceeding 30 million won: <Amended by Act No. 14774, Apr. 18, 2017>

1. A person who conducts petroleum retail business which falls subparagraph 5-2 (b) of Article 2 without making any report under Article 9-2 (1);
2. A person who conducts international petroleum trading business after making a false report under Article 9-2 (1);
3. A person who conducts petroleum retail business without making a report under Article 10 (2) or after making a false report;
4. A person who violates an order to suspend business issued under Article 13 (3).

#### **Article 48 (Joint Penalty Provisions)**

Where the representative of a corporation or an agent or employer of, or other persons employed by, the corporation or an individual commits any violations described in any of Article 44, 44-2, 45, 46, or 47 in conducting the business affairs of the corporation or individual, the corporation or individual shall, in addition to punishing the violator accordingly, be subject to a fine prescribed in the relevant provisions: Provided, That the same shall not apply where such corporation or individual has not neglected to exercise reasonable care and supervision with respect to the relevant business affairs to prevent such offences.

<Amended by Act No. 12294, Jan. 21, 2014>

## **Article 49 (Administrative Fines)**

(1) Any of the following persons shall be subject to an administrative fine not exceeding 30 million won:  
<Amended by Act No. 10958, Jul. 25, 2011; Act No. 11234, Jan. 26, 2012; Act No. 14774, Apr. 18, 2017>

1. A person who fails to file for registration of, or to make a report on, the modification under the latter part of paragraph (1) or the latter part of paragraph (2) of Article 5, or who files for a false registration of the modification or makes a false report thereon;
2. A person who uses the name "the Korea Petroleum Quality & Distribution Authority" or any name similar thereto, in violation of Article 25-8;
3. Using fake petroleum products with knowledge of the fact that the product is fake petroleum in violation of Article 29 (1) 2 or using such products sold by a person who is not registered or who fails to make a report under Articles 10 and 33;
4. A person who fails to file for registration of the modification under Article 32 (2) or files for a false registration of the modification;
5. Any petroleum refiner, petroleum exporter or importer, international petroleum trader, or a business entity manufacturing and exporting or importing alternative fuels that fails to report or makes a false report, in violation of an order issued under Article 38 (1);
6. Any petroleum refiner, petroleum exporter or importer, or petroleum retailer that fails to report the retail prices of petroleum products, in violation of Article 38-2 (1) or makes a false report thereon;
7. A person who uses kerosene, secondary fuel oil, bio-diesel, bio-ethanol, solvent, lubricant, base oil, light oil for ship, and petroleum intermediate products as fuel for automobiles, vehicles, and machines with the knowledge thereof, in violation of Article 39 (3).

(2) Any of the following persons shall be subject to an administrative fine not exceeding ten million won:  
<Amended by Act No. 10353, Jun. 8, 2010; Act No. 11234, Jan. 26, 2012; Act No. 11690, Mar. 23, 2013; Act No. 12294, Jan. 21, 2014; Act No. 14774, Apr. 18, 2017>

1. A person who fails to file for registration of modification or to make a report thereon under Article 9 (2), 9-2 (2), or 10 (3) or who files for a false registration of the modification or makes a false report thereon;
2. A person who fails to report the commencement, suspension, and discontinuation of his/her business under Article 12 (including cases applied mutatis mutandis under Articles 32 (4) and 33 (3)), or makes a false report thereon;
3. A person who fails to file for registration of modification under the latter part of Article 33 (1) or files for a false registration of the modification;
4. A petroleum retailer, petroleum stockpiling agent, an alternative fuel retailer, or an installer of oil pipelines and manager of oil pipelines referred to in the Oil Pipeline Safety Control Act or a petroleum consumer who fails to make a report, in violation of an order issued under Article 38 (1) or (2), or makes a false report;

5. A petroleum retailer that fails to mark the retail prices of petroleum products under Article 38-2 (3) and (5), falsely marks such prices, or fails to follow the marking methods.

(3) Administrative fines referred to in paragraphs (1) and (2) shall be imposed and collected by the Minister of Trade, Industry and Energy, a Mayor/Do Governor or the head of a Si/Gun/Gu, as prescribed by Presidential Decree. <Amended by Act No. 11690, Mar. 23, 2013>

(4) The amount collected by the Minister of Trade, Industry and Energy, among the administrative fines imposed under paragraph (3), shall escheat to the Special Accounts for Energy and Resources-Related Projects, and the amount collected by a Mayor/Do Governor or the head of a Si/Gun/Gu shall devolve on a relevant local government. <Amended by Act No. 11690, Mar. 23, 2013; Act No. 12154, Jan. 1, 2014>

#### **Article 50 (Legal Fiction as Public Officials in Application of Penalty Provisions)**

Executive officers and employees of any institution, organization, or corporation, each of which is entrusted with the affairs pursuant to Articles 20 and 43 (2) and (3) shall be deemed public officials in applying Articles 122, 127, 129 through 132 of the Criminal Act. <Amended by Act No. 11234, Jan. 26, 2012; Act No. 12294, Jan. 21, 2014>

### ADDENDA

#### **Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation: Provided, That, among the amended provisions of Articles 3 through 37, 38 through 41, and 43 through 49, the amended provisions governing business entities manufacturing alternative fuels, etc., shall enter into force on January 1, 2006.

#### **Article 2 (Transitional Measures concerning Grounds for Disqualification)**

Where any petroleum refiner, any petroleum exporter or importer, any petroleum retailer and any petroleum stockpiling agent, each of whom has obtained permission to engage in their respective business or filed for registration in accordance with the previous Petroleum Business Act (referring to the Petroleum Business Act prior to the amendment made in accordance with Act No. 5575; hereafter in this Article the same shall apply) as at the time this Act enters into force is a minor or the representatives of such entities are minors, the provisions of subparagraphs 1 and 6 of Article 5 of the previous Petroleum Business Act shall apply until they become adults.

#### **Article 3 (Transitional Measures concerning Imposition of Penalty Surcharge and Application of Penalty Provisions)**

The application of the imposition of the penalty surcharge and the application of the penalty provisions for violations committed before this Act enters into force shall be governed by the previous provisions.

#### **Article 4 (Transitional Measures concerning Conditional Registration)**

Anyone who gets a conditional registration in accordance with the previous provisions as at the time of enforcement of this Act shall be deemed to have been granted such conditional registration in accordance with Article 11.

## **Article 5 Omitted.**

## **Article 6 (Relationship with Other Statutes)**

Where the previous Petroleum Business Act or its provisions are cited in other statutes at the time this Act enters into force, and where there are the corresponding provisions in this Act, this Act or the corresponding provisions in this Act shall be deemed to have been cited.

ADDENDA <Act No. 7428, Mar. 31, 2005>

## **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. 7755, Dec. 23, 2005>

- (1) (Enforcement Date) This Act shall enter into force three months after the date of its promulgation.
- (2) (Applicability to Disposition Imposing Penalty Surcharge) The amended provisions of Articles 14 (5) and 35 (5) shall begin to apply from the first petroleum refiner, petroleum exporter or importer, petroleum retailer, a business entity manufacturing and exporting or importing alternative fuels, or alternative fuel retailer that has been subject to the imposition of the penalty surcharge after this Act enters into force.
- (3) (Applicability to Public Announcement) The amended provisions of Article 25 (6) shall begin to apply from the first person subjected to administrative dispositions first after this Act enters into force.

ADDENDUM <Act No. 8237, Jan. 11, 2007>

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

ADDENDA <Act No. 8399, Apr. 27, 2007>

- (1) (Enforcement Date) This Act shall enter into force three months after the date of its promulgation.
- (2) (Transitional Measures concerning Administrative Fines) The previous provisions shall apply to the imposition of administrative fines for acts committed before this Act enters into force.

ADDENDA <Act No. 8765, Dec. 21, 2007>

## **Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation: (Proviso Omitted.)

## **Articles 2 through 7 Omitted.**

ADDENDA <Act No. 8768, Dec. 21, 2007>

- (1) (Enforcement Date) This Act shall enter into force six months after the date of its promulgation.
- (2) (Applicability to Appropriation of Refund Money and Additional Dues) The provisions concerning the appropriation of refund money and additional dues, of the amended provisions of Articles 19 and 19-2

(including cases where they are applied mutatis mutandis in Article 37 (7)), shall apply from the first amount of money refunded or over-refunded after this Act enters into force.

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.**

ADDENDUM <Act No. 9231, Dec. 26, 2008>

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

ADDENDA <Act No. 9370, Jan. 30, 2009>

**Article 1 (Enforcement Date)**

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

**Article 2 (Transitional Measures concerning Change of Government Office for Registration for and Reporting on Retail Business of Petroleum and Alternative Fuels)**

(1) Anyone who has filed for registration of his/her petroleum retail business and alternative fuel retail business with, or make a report thereon to, a Mayor/Do Governor in accordance with the previous provisions at the time when this Act enters into force shall be deemed to have been registered with or reported to a Mayor/Do Governor or the head of a Si/Gun/Gu under this Act.

(2) Dispositions imposed on, or other acts performed in relation to petroleum retailers and retailers of alternative fuels by a Mayor/Do Governor in accordance with the previous provisions as at the time this Act enters into force shall be deemed to have been imposed or performed by a Mayor/Do Governor or the head of a Si/Gun/Gu under this Act.

**Article 3 (Transitional Measures concerning the Korea Institute of Petroleum Quality)**

(1) The Korea Institute of Petroleum Quality, which is an incorporated foundation at the time this Act enters into force, shall file an application for approval with the Minister of Knowledge Economy so that the Korea Petroleum Quality & Distribution Authority to be established under the amended provisions of Article 25-2 succeeds all the property, rights and obligations thereof, through a resolution of the board of directors.

(2) After obtaining approval under paragraph (1), the Korea Institute of Petroleum Quality shall file for registration of the incorporation of the Korea Petroleum Quality & Distribution Authority under this Act.

(3) After filing for registration of the incorporation under paragraph (2), the Korea Institute of Petroleum Quality shall be deemed to have been dissolved notwithstanding the provisions on dissolution and liquidation of corporations in the Civil Act.

(4) The Korea Petroleum Quality & Distribution Authority under this Act shall succeed all the rights, obligations and property of the Korea Institute of Petroleum Quality on the date of registration of its incorporation, and everything recorded in the name of the Korea Institute of Petroleum Quality in the registers of the rights, obligations and properties or other official books shall be deemed to be in the name of the Korea Petroleum Quality & Distribution Authority.

(5) The value of the property that the Korean Korea Petroleum Quality & Distribution Authority succeeds in accordance with paragraph (4) shall be the book value at the time of succession.

(6) The executive officers and employees of the Korea Institute of Petroleum Quality at the time this Act enters into force shall be deemed executive officers and employees of the Korea Petroleum Quality & Distribution Authority under this Act, and the term of office of the executive officers shall be reckoned from the date they were appointed.

**Article 4 Omitted.**

ADDENDA <Act No. 10219, Mar. 31, 2010>

**Article 1 (Enforcement Date)**

This Act shall enter into force on January 1, 2011.

**Articles 2 through 12 Omitted.**

ADDENDUM <Act No. 10246, Apr. 12, 2010>

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

ADDENDA <Act No. 10353, Jun. 8, 2010>

(1) (Enforcement Date) This Act shall enter into force six months after the date of its promulgation.

(2) (Applicability to Restrictions on Registration, etc. of Petroleum Business) The amended provisions of Articles 11-2 and 33-2 shall begin to apply from the first revocation of registration or closure of the site of business for committing a violation after this Act enters into force.

(3) (Applicability to Compulsory Collection of Penalty Charges) The amended provisions of Articles 14 (5) and 35 (5) shall begin to apply from the first penalty charge imposed after this Act enters into force.

ADDENDUM <Act No. 10958, Jul. 25, 2011>

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

ADDENDA <Act No. 11081, Nov. 14, 2011>

**Article 1 (Enforcement Date)**

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

**Article 2 (Applicability to Limit on Penalty Surcharges)**

The amended provisions in the proviso to Article 14 (1) and the proviso to Article 35 (1) shall begin to apply from the first case which satisfies the requirements for imposition of penalty surcharges under all subparagraphs of Article 14 (1) and the main sentence of Article 35 (1) after this Act enters into force.

**Article 3 (Applicability to Affixing Notices)**

The amended provisions of Article 14-2 shall begin to apply from the first case where a disposition of business suspension or a penalty surcharge is rendered on at least two occasions by a petroleum refiner, petroleum exporter or importer or petroleum retailer after this Act enters into force.

ADDENDA <Act No. 11234, Jan. 26, 2012>

**Article 1 (Enforcement Date)**

This Act shall enter into force on May 15, 2012.

**Article 2 (Applicability to Restrictions on Registration of and Reporting on Petroleum Business, etc.)**

The amended provisions of Articles 11-2 and 33-2 shall begin to apply from the first facility of a business entity whose registration is revoked or whose place of business is closed after this Act enters into force.

**Article 3 (Applicability to Filing Objections to Dues, etc.)**

The amended provisions of Article 18 (7) and (8) shall begin to apply from the first surcharges to be imposed after this Act enters into force.

**Article 4 (Applicability to Public Announcement on Violation of Prohibition of Acts)**

The amended provisions of Article 39-2 shall begin to apply from the first person who commits a violation after this Act enters into force.

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. 11873, Jun. 7, 2013>

**Article 1 (Enforcement Date)**

This Act shall enter into force on July 1, 2013.

**Articles 2 through 19 Omitted.**

ADDENDA <Act No. 11998, Aug. 6, 2013>

**Article 1 (Enforcement Date)**

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

## **Articles 2 and 3 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.**

ADDENDA <Act No. 12294, Jan. 21, 2014>

### **Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation: Provided, That the amended provisions of Articles 6, 18, 19, 25-2, 29, 37, 39-2 shall enter into force on the date of its promulgation.

### **Article 2 (Applicability to Causes for Revocation of Registration, etc.)**

The amended provisions of subparagraphs 1 (a), 2 (a), and 3 (a) of Article 11-2, Article 13 (1) 12-2, (2) 7, and (3) 8, and Article 14 (1) 1 shall apply to a person who violates Article 29 (1) 3 after this Act enters into force.

### **Article 3 (Applicability to Types of Prohibited Acts)**

(1) The amended provisions of Article 39 (1) 7-2 shall apply to a person who ships out petroleum that is to be used in vessels bound for overseas or deep-sea fishing vessels for any purpose other than the purpose of using it as fuel for vessels bound for overseas or deep-sea fishing vessels or obtains it with knowledge of the fact that it is shipped out after this Act enters into force.

(2) The amended provisions of Article 39 (4) 3 shall apply to a person who sells petroleum that is to be used in agriculture, forestry, or fisheries for any purpose other than the purpose of using it in agriculture, forestry, or fisheries after this Act enters into force.

### **Article 4 (Transitional Measures concerning Succession of Effects of Disposition)**

Notwithstanding the amended provisions of Article 8 (including cases applying mutatis mutandis under Articles 9 (4), 10 (5), and 32 (4)), the previous provisions shall apply to a person who has inherited the status of a petroleum refiner (including a person who has inherited the status of a petroleum exporter or importer, a petroleum retailer, or a business entity manufacturing and exporting or importing alternative fuels) before this Act enters into force.

### **Article 5 (Transitional Measures concerning Incompetent Persons, etc.)**

Incompetent persons under the adult guardianship under the amended provisions of subparagraph 2 of Article 6 shall be deemed to include persons in whose case the declaration of incompetency or quasi-incompetency remains effective under Article 2 of the Addenda to the Civil Act (Act No. 10429).

ADDENDUM <Act No. 12441, Mar. 18, 2014>

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

ADDENDUM <Act No. 13085, Jan. 28, 2015>

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

ADDENDA <Act No. 14476, Dec. 27, 2016>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 5 Omitted.**

ADDENDA <Act No. 14774, Apr. 18, 2017>

**Article 1 (Enforcement Date)**

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

**Article 2 (Applicability to Grounds for Disqualification of Petroleum Refiners, etc.)**

The amended provisions of subparagraph 6 of Article 6 (including cases of application mutatis mutandis under Articles 9 (4) and 10 (5)) shall also apply to a person for whom two years have not passed as at the time this Act enters into force after the registration of petroleum refinery business, petroleum export-import business, or petroleum retail business was revoked or his/her place of business was closed before this Act enters into force.

**Article 3 (Special Exceptions to Persons who have Traded Petroleum in Bonded Areas)**

Where a person who has conducted petroleum trading business in a bonded area before this Act enters into force files a report on international petroleum trading business pursuant to the amended provisions of Article 9-2 after this Act enters into force, the date of report shall be the initial date in reckoning the period referred to in the amended provisions of Article 13 (3) 3 or 4.

**Article 4 (Transitional Measures concerning Administrative Dispositions)**

Administrative dispositions against any violation committed before this Act enters into force shall be governed by the former provisions.

**Article 5 (Transitional Measures concerning Penalty Provisions)**

Penalty provisions for any violation committed before this Act enters into force shall be governed by the former provisions.

ADDENDA <Act No. 15179, Dec. 12, 2017>

**Article 1 (Enforcement Date)**

This Act shall enter into force one month after the date of its promulgation: Provided, That the amended provisions of Articles 25 (2) and 25-2 shall enter into force six months after the date of its promulgation.

**Article 2 (Applicability to Reporting on Petroleum Refinery Business and Petroleum Retail Business, and Reporting on Modification thereof)**

The amended provisions of Articles 5 (3) and (4) and 10 (4) and (5) shall begin to apply from the first case of filing a report or report on modification after this Act enters into force

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