

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

Act No. 7238, Oct. 22, 2004
Amended by Act No. 7949, Apr. 28, 2006
Act No. 8404, Apr. 27, 2007
Act No. 8852, Feb. 29, 2008
Act No. 9685, May 21, 2009
Act No. 9686, May 21, 2009
Act No. 10445, Mar. 9, 2011
Act No. 10718, May 24, 2011

CHAPTER I | GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to plan for the continuous development of the automobile industry and for the improvement of living conditions of the people and to contribute to the national economy by establishing and promoting a general plan and policy to accelerate the development and distribution of environmentally friendly automobiles.

Article 2 (Definitions)

The definitions of the terms used in this Act are as follows: <Amended by Act No. 8404, Apr. 27, 2007; Act No. 8852, Feb. 29, 2008; Act No. 9686, May 21, 2009>

1. The term “motor vehicle” means the motor vehicle or construction machinery falling under any of the following items, which is prescribed by Presidential Decree:
 - (a) Motor vehicle prescribed in subparagraph 1 of Article 2 of the Motor Vehicle Management Act;
 - (b) Construction machine prescribed in subparagraph 1 of Article 2 of the Construction Machinery Management Act;
2. The term “environmentally friendly motor vehicle” means an electric car, solar powered

car, hybrid car, fuel cell vehicle, natural gas vehicle or clean diesel vehicle under subparagraphs 3 through 8, announced by the Minister of Knowledge Economy after consultation with the Minister of Environment from among the motor vehicles that meet the qualifications in the following items:

- (a) The energy efficiency is to meet the standards set up by Ordinance of the Ministry of Knowledge Economy;
 - (b) It is to be compatible with the standards of low pollution motor vehicles prescribed by Ordinance of the Ministry of Environment in accordance with subparagraph 6 of Article 2 of the Special Act on the Improvement of Air and Environment for Seoul Metropolitan Area;
 - (c) It is to be compatible with the standards for detailed technical matters, such as automobile performance, etc., prescribed by Ordinance of the Ministry of Knowledge Economy;
3. The term “electric car” means a motor vehicle that uses electric energy charged from an electric power supply as the power source;
 4. The term “solar powered ca” means a motor vehicle that uses solar energy as its power source;
 5. The term “hybrid car” means a motor vehicle that uses the combination of gasoline, diesel fuel oil, liquefied petroleum gas, natural gas or a fuel prescribed by Ordinance of the Ministry of Knowledge and Economy and electric energy (including electric energy charged from an electric power supply) as its power source;
 6. The term “fuel cell vehicle” means a motor vehicle that uses electric energy that has been generated by using hydrogen fuel as its power source;
 7. The term “natural gas vehicle” means a motor vehicle that uses natural gas (including compressed natural gas and liquefied natural gas) as its power source;
 8. The term “clean diesel vehicle” means a motor vehicle that uses an engine that converts thermal energy into mechanical energy of which the combustion of diesel fuel oil takes place inside the engine, which emits pollutants under Article 46 (1) of the Clean Air Conservation Act on a level similar to that of a hybrid car or natural gas vehicle;
 9. The term “hydrogen fuel supply facility” means a facility that supplies hydrogen to fuel cell vehicles.

Article 3 (Master Plan for Development, etc. of Environmentally Friendly Motor Vehicles)

- (1) The Minister of Knowledge Economy shall establish a master plan to accelerate the

development and distribution of environmentally friendly motor vehicles (hereinafter referred to as “master plan”) every five years. In such cases, the opinions of the heads of central administrative agencies, such as the Minister of Environment, etc. and of the Special Metropolitan City Mayor, Metropolitan City Mayor or Do Governor (hereinafter referred to as “Mayor/Do Governor”) shall be heard as prescribed by Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008>

- (2) The master plan shall contain the following matters:
 1. Fundamental direction for the development and distribution of environmentally friendly automobiles;
 2. Mid-term and long-term aim of the development and distribution of environmentally friendly automobiles;
 3. Matters concerning the research and development of environmentally friendly automobiles and the construction of infrastructure relating to the research and development thereof;
 4. Matters concerning the construction of infrastructure necessary to distribute the power sources of automobiles, such as hydrogen fuel supply facilities, etc.;
 5. Other matters necessary for the development and distribution of environmentally friendly automobiles.
- (3) The master plan under paragraph (1) shall be fixed after deliberation of the State Council: Provided, That where insignificant matters prescribed by Presidential Decree are changed, such as a partial change, etc. in the direction of project for detailed technology development of environmentally friendly automobiles, this shall not apply.
- (4) Where it is deemed necessary, the head of central administrative agency concerned may request the Minister of Knowledge Economy to modify the master plan. In such cases, the Minister of Knowledge Economy shall hear the opinions of the heads of other relevant central administrative agencies and of the Mayor/Do Governor if he/she intends to modify the master plan. <Amended by Act No. 8852, Feb. 29, 2008>
- (5) Where the master plan is modified as prescribed in paragraph (4), paragraph (3) shall apply mutatis mutandis.

Article 4 (Implementation Plan for Development of Environmentally Friendly Automobiles)

- (1) In order to promote the master plan, the Minister of Knowledge Economy shall establish and promote an implementation plan for the development of environmentally friendly automobiles (hereinafter referred to as “implementation plan for development”) every

year after hearing the opinions of the heads of central administrative agencies concerned as prescribed by Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008>

- (2) The implementation plan for development shall contain the following matters:
1. Field of priority technology development;
 2. Objective of priority promotion by field of technology development;
 3. Schedule and method of promotion of technology development;
 4. Matters concerning the construction of infrastructure necessary for the efficient promotion of technology development projects;
 5. Other matters necessary for technology development.

Article 5 (Implementation Plan for Development of Environmentally Friendly Automobiles)

- (1) In order to promote the master plan, the Minister of Environment shall establish and promote an implementation plan for the distribution of environmentally friendly automobiles (hereinafter referred to as “implementation plan for distribution”) every year after hearing the opinions of the heads of central administrative agencies concerned and of the Mayor/Do Governor as prescribed by Presidential Decree. In such cases, the Minister of Environment shall consult with the Minister of Knowledge Economy on the distribution of environmentally friendly automobiles. <Amended by Act No. 8852, Feb. 29, 2008>
- (2) The implementation plan for distribution shall contain the following matters:
1. Areas subject to the distribution of environmentally friendly automobiles;
 2. Models of environmentally friendly automobiles and quantity to supply by model;
 3. Matters concerning the construction of infrastructure, such as the hydrogen fuel supply facility;
 4. Matters concerning plans for raising funds and standards for financial assistance;
 5. Matters necessary for the distribution of environmentally friendly automobiles.
- (3) The Mayor/Do Governor shall establish and promote a plan for the acceleration of distribution of environmentally friendly automobiles in accordance with the master plan and implementation plan for distribution.

Article 6 (Assistance Policy for Technology Development)

- (1) In order to accelerate the technology development of environmentally friendly automobiles, the State may establish and promote an assistance policy concerning the following matters in order to promote technology development related to environmentally friendly automobiles:
1. Collection and supply of information on technology development of environmentally

- friendly automobiles from inside and outside of Korea;
2. Research and development concerning the core technology of environmentally friendly automobiles and so on.
- (2) The Minister of Knowledge Economy may have a person falling under any of the following subparagraphs perform the research and development of environmentally friendly automobiles in order to promote the technology development project under paragraph (1): <Amended by Act No. 7949, Apr 28, 2006; Act No. 8852, Feb. 29, 2008; Act No. 10445, Mar. 9, 2011>
1. National and public research institutions;
 2. Research institutions established under Article 8 of the Act on the Establishment, Operation and Fostering of Government-Funded Science and Technology Research Institutions;
 3. Specific research institutes under Article 2 of the Support of Specific Research Institutes Act;
 4. Specialized manufacturing technology institutions under Article 42 of the Industrial Technology Innovation Promotion Act;
 5. Industrial technology research cooperatives under the Act on the Support of Industrial Technology Research Cooperatives;
 6. Universities, colleges, industrial colleges, junior colleges or technical colleges under Article 2 of the Higher Education Act;
 7. Research institutes attached to enterprises as prescribed in Article 14 (1) 2 of Researches of the Basic Sciences Promotion Act;
 8. Agencies, organizations or business operators relating to environmentally friendly automobiles, which are prescribed by Presidential Decree.

Article 7 (Promotion of Projects for Formation of Foundation for Technology)

In order to efficiently promote the development of technology relating to environmentally friendly automobiles under Article 6 (1), the State may promote projects for the formation of foundation for technology in the following subparagraphs:

1. Projects for the formation of foundation for technology;
2. International projects for the cooperation in technology;
3. Projects for the education of industrial technical manpower;
4. Other projects prescribed by Presidential Decree.

Article 8 (Assistance to Fuel Manufacturers, etc.)

(1) The State or local governments may provide necessary funds, etc. to those who manufacture,

supply or sell hydrogen which is the fuel for fuel cell vehicle, or those who intend to install a hydrogen fuel supply facility.

- (2) Matters necessary for the standards, method, etc. of assisting funds, etc. under paragraph (1) shall be prescribed by Presidential Decree.

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

Article 10 (Assistance to Purchasers and Owners of Environmentally Friendly Automobiles)

The State or local governments may provide the purchasers and owners of environmentally friendly automobiles with necessary assistance. <Amended by Act No. 9686, May 21, 2009>

Article 11 (Assistance to Operation of Environmentally Friendly Automobiles)

- (1) The Mayor/Do Governor may allow owners of environmentally friendly automobiles to apply a mark recognizable from outside the automobile. <Amended by Act No. 9686, May 21, 2009>
- (2) The State and local governments shall devise an assistance policy necessary for automobiles that bear the mark under paragraph (1).
- (3) Matters necessary for the specification, etc. of the mark under paragraph (1) shall be prescribed by Ordinance of the Ministry of Knowledge Economy. <Amended by Act No. 8852, Feb. 29, 2008>

Article 12 (Publicity of Environmentally Friendly Automobiles)

The State or local governments may request organizations relating to automobiles, etc. to implement publicity necessary for raising popularity of environmentally friendly automobiles.

Article 13 (Financial Resources for Financial Assistance)

The financial resources in the following subparagraphs may be used for funds necessary for the assistance under Articles 6 through 8, 10, and 11 (2): <Amended by Act No. 9685, May 21, 2009>

1. Special accounts for energy and resource-related projects under the Act on the Special Accounts for Energy and Resources-Related Projects;
2. Funds for the promotion of small and medium enterprises and for industrial foundation under the Act on the Promotion of Small and Medium Enterprises;

3. Special accounts for environmental improvement under the Act on Special Accounts for Environmental Improvement

Article 14 (Financial Resources for Financial Assistance)

- (1) Where it is deemed necessary to establish a master plan and implementation plan for development, the Minister of Knowledge Economy may request the administrative agency concerned and the agency or organization relating to environmentally friendly automobiles for the supply of necessary data, opinions, etc. In such cases, the administrative agency concerned and the agency or organization relating to environmentally friendly automobiles that has been requested shall comply therewith unless any extraordinary circumstance exists. <Amended by Act No. 8852, Feb. 29, 2008>
- (2) Where it is deemed necessary to establish an implementation plan for distribution, the Minister of Environment may request the Mayor/Do Governor for a data on the outcome, etc. of promotion for distribution of environmentally friendly automobile. In such cases, the Mayor/Do Governor comply therewith unless any extraordinary circumstance exists.

Article 15 (Entrustment of Administrative Affairs)

The State or local governments may entrust part of the administrative affairs in the following subparagraphs to the specialized agency concerned:

1. Administrative affairs of assessment, management, etc. of projects in promoting the projects in Articles 6 and 7;
2. Administrative affairs necessary for the assistance prescribed in Articles 10 and 11 (2);
3. Part of the administrative affairs prescribed by this Act, which is prescribed by Presidential Decree.

ADDENDUM

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

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

Article 1 (Enforcement Date)

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

Articles 2 through 7 Omitted.

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

Article 1 (Enforcement Date)

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

Articles 2 through 14 Omitted.

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

Article 1 (Enforcement Date)

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

Articles 2 through 7 Omitted.

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

Article 1 (Enforcement Date)

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

Articles 2 through 8 Omitted.

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

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

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

Article 1 (Enforcement Date)

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

Articles 2 through 4 Omitted.

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

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