

# ENFORCEMENT DECREE OF THE FOREIGN TRADE ACT

Wholly Amended by Presidential Decree No.20257, Sep. 10, 2007  
 Amended by Presidential Decree No.20678, Feb. 29, 2008  
 Presidential Decree No.20947, Jul. 29, 2008  
 Presidential Decree No.21087, Oct. 20, 2008  
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 Presidential Decree No.21806, Nov. 2, 2009  
 Presidential Decree No.22269, Jul. 12, 2010  
 Presidential Decree No.22419, Oct. 1, 2010

## CHAPTER I GENERAL PROVISIONS

### Article 1 (Purpose)

The purpose of this Decree is to provide for matters delegated by the [Foreign Trade Act](#) and necessary for the enforcement thereof.

### Article 2 (Definitions)

The definitions of terms used in this Decree shall be as follows: <Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 21806, Nov. 2, 2009>

1. The term "domestic area" means the territory under the sovereignty of the Republic of Korea;
2. The term "foreign country" means an area, other than a domestic area;
3. The term "exportation" means a transaction of:
  - (a) Moving goods from the domestic area to a foreign country for sale, exchange, lease, loan, gifting, etc. (including sale of mineral resources gathered or marine products captured by Korean vessels in a foreign country to another foreign country);
  - (b) Delivering goods from a foreign country to another foreign country for consideration, which shall meet requirements prescribed and publicly announced by the Minister of Knowledge Economy;
  - (c) Providing services under [Article 3](#) by a resident as defined in [Article 3 \(1\) 14 of the Foreign Exchange Transactions Act](#) (hereinafter referred to as "resident") to a nonresident under [Article 3 \(1\) 15](#) of the said Act (hereinafter referred to as "nonresident") by means prescribed and publicly announced by the Minister of Knowledge Economy;
  - (d) Delivering intangibles in an electronic form under [Article 4](#) by a resident to a nonresident by means of electronic transmission via an information and communications network or any other means prescribed and publicly announced by the Minister of Knowledge Economy;
4. The term "importation" means a transaction of:
  - (a) Moving goods from a foreign country to the domestic area for sale, exchange, lease, loan, gifting, etc.;
  - (b) Delivering goods from a foreign country to another foreign country for consideration, which shall meet requirements prescribed and publicly announced by the Minister of Knowledge Economy;
  - (c) Providing services under [Article 3](#) by a nonresident to a resident by means prescribed and publicly announced by the Minister of Knowledge Economy;
  - (d) Delivering intangibles in an electronic form under [Article 4](#) by a nonresident to a resident by means of electronic transmission via an information and communications network and any other means prescribed and publicly announced by the Minister of Knowledge Economy;
5. The term "raw materials or equipment for foreign exchange earnings" means raw materials, equipment, products, services or intangibles in an electronic form for earning foreign exchange;
6. The term "raw materials for foreign exchange earnings" means raw or subsidiary materials, parts and components required for producing (referring to manufacturing, processing, assembling, repairing, recycling or altering; hereinafter the same shall apply) goods, services under [Article 3](#) or intangibles under [Article 4](#) in an electronic form (hereinafter referred to as "goods, etc.") supplied for foreign exchange earnings;
7. The term "equipment for foreign exchange earnings" means a facility, machinery, equipment, a part or a component (including parts and components necessary for repairing of defects or maintenance of goods, etc.) used for producing goods, etc. supplied for foreign exchange earnings;
8. The term "products for foreign exchange earnings" means goods, etc. supplied for foreign

- exchange earnings without necessarily undergoing a production process after being imported;
9. The term "services for foreign exchange earnings" means services defined in [Article 3](#), which are necessary for production of goods, etc. supplied for foreign exchange earnings;
  10. The term "intangibles in an electronic form for foreign exchange earnings" means intangibles in an electronic form defined in [Article 4](#), which are necessary for production of goods, etc. supplied for foreign exchange earnings;
  11. The term "results of exportation" means the sum of exports cleared through customs, the sum received, the sum of money earned, and the sum of the raw materials or equipment supplied to the domestic area for foreign exchange earnings, which meet the criteria specified and publicly announced by the Minister of Knowledge Economy;
  12. The term "results of importation" means the sum of imports cleared through customs and the sum paid, which meet the criteria prescribed and publicly announced by the Minister of Knowledge Economy.

### **Article 3 (Scope of Services)**

"Services prescribed by Presidential Decree" in subparagraph 1 (b) of [Article 2 of the Foreign Trade Act](#) (hereinafter referred to as the "Act") means: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. Services provided by a person who engages in a type of business set forth in any of the following items:
  - (a) Business consulting services;
  - (b) Services related to legal affairs;
  - (c) Services related to accounting and tax affairs;
  - (d) Engineering services;
  - (e) Designing;
  - (f) Planning and consulting service for computer systems;
  - (g) Types of businesses falling within the cultural industry under subparagraph 1 of [Article 2 of the Framework Act on the Promotion of Cultural Industries](#);
  - (h) Transportation business;
  - (i) Types of businesses falling within the tourism business under [Article 3 \(1\) of the Tourism Promotion Act](#) (hereinafter referred to as a "tourism business");
  - (j) Other business with good potential for exportation, such as knowledge-based service, which shall be specified further and publicly notified by the Minister of Knowledge Economy;
2. Transferring a right to a patent, utility model, design, trademark, copyright, neighboring copy right, program copyright, or layout design of a semiconductor integrated circuit protected by domestic Acts and subordinate statutes and treaties to which the Republic of Korea is a party, instituting an exclusive license for the afore-said right, or granting a non-exclusive license therefor.

### **Article 4 (Intangibles in Electronic Form)**

The term "intangible goods in electronic form as prescribed by Presidential Decree" in subparagraph 1 (c) of [Article 2 of the Act](#) means: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. Software as defined in subparagraph 1 of [Article 2 of the Software Industry Promotion Act](#);
2. Data, information, or similar which is obtained by producing or processing codes, letters, voices, sounds, images, pictures, etc. in digital mode as further specified and publicly notified by the Minister of Knowledge Economy;
3. A combination of those items set forth in subparagraphs 1 and 2 or any other intangible chattel in an electronic form similar thereto as further specified and publicly notified by the Minister of Knowledge Economy.

### **Article 5 (Measures for Promotion of Trade)**

(1) Pursuant to [Article 4 of the Act](#), the Minister of Knowledge Economy may either take the following measures to promote trade, or request the head of each relevant administrative agency to take necessary measures: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. To create an environment for strengthening the competitiveness of the export industry in the international market and facilitate investments in facilities;
2. To improve quality for increasing the rate of foreign exchange earnings, and promote the use of raw materials or equipment domestically manufactured for foreign exchange earnings;
3. To coordinate exportation and importation to promote cooperation in international commerce;
4. To interconnect exportation and importation to accomplish a balance of trade between regions;
5. To provide support to the private sector for their international commercial activities and industrial cooperation;
6. To grant tax abatements or exemption on trade-related facilities;
7. To create efficiently an environment for establishing and operating the platforms for scientific processing of trade-related affairs;
8. To facilitate the use of platforms for scientific processing of trade-related affairs by related institutions including trade business circles;

9. To assist domestic companies in advancing into overseas markets;
  10. To conduct surveys on the difficulties that domestic companies face in advancing into overseas markets and assist them in solving such difficulties;
  11. Other measures deemed necessary for continuously promoting exportation and importation.
- (2) Trade-related installations eligible for the support under [Article 4 \(2\) 2 of the Act](#) shall be those with the functions and sizes prescribed according to the following categorization and designated by the Minister of Knowledge Economy: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*
1. Trade exhibition centers: Shall have facilities for exhibition of trade samples, with a total indoor exhibition floor area of at least 2,000 square meters and a conference room with capacity of at least 50 persons;
  2. Traders' training institutes: Shall have facilities for fostering professional traders, with a total floor area of at least 2,000 square meters and maximum capacity of 500 persons or more;
  3. Convention centers: Shall have facilities for conventions, with a total floor area of at least 4,000 square meters and maximum capacity of 2,000 persons or more.
- (3) The term "person who has established and run a platform for scientific processing of the business affairs relating to trade" in [Article 4 \(2\) 3 of the Act](#) means a business entity who has established and run a platform for scientific processing of trade-related affairs among the electronic trade infrastructure business operators as defined in [Article 6 \(1\) of the Electronic Trade Facilitation Act](#).

#### **Article 6 (Procedures for Investigation and Consultation for Special Measures)**

- (1) The Minister of Knowledge Economy shall, when he/she intends to take any measure relating to a restriction or ban (hereinafter referred to as a "special measure" for the purposes of this Article) on exportation or importation of goods or such from or to any trading partner country upon any grounds set forth in subparagraph 2, 3, or 5 of [Article 5 of the Act](#), conduct a prior investigation into the relevant facts in advance. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*
- (2) Anyone who has any interest in a case that falls under subparagraph 2, 3 or 5 of [Article 5 of the Act](#) may file a petition with the Minister of Knowledge Economy to take special measures. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*
- (3) The Minister of Knowledge Economy shall, upon receiving a petition under paragraph (2), make a decision as to whether to conduct an investigation into the facts and notify the petitioner of his/her decision within 30 days from the date of petition. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*
- (4) The Minister of Knowledge Economy shall, if deemed necessary for an investigation under paragraph (1), consult in advance with the trading partner country involved. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*
- (5) The Minister of Knowledge Economy shall, when he/she commences an investigation under paragraph (1), issue public notice thereof without delay, and shall complete the investigation within one year from the date of its commencement. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*
- (6) The Minister of Knowledge Economy shall, when he/she intends to take special measures, consult in advance with the heads of relevant central administrative agencies. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*
- (7) The Minister of Knowledge Economy shall, when he/she intends to take any special measure pursuant to [Article 5 of the Act](#), issue public notice of the details of the special measure, and shall also issue notice to the petitioner, if the special measure is to be taken upon the petition under paragraph (2). The foregoing shall also apply to the lifting of such special measure. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

## **CHAPTER II PROMOTION OF INTERNATIONAL COMMERCE**

#### **Article 7 (Establishment of Implementation Plans for Promotion of International Commerce)**

In establishing an implementation plan for the promotion of international commerce pursuant to [Article 7 \(1\) of the Act](#), the Minister of Knowledge Economy may request the following institutions and organizations to render cooperation: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

1. Relevant administrative agencies;
2. Local governments;
3. The Korea Trade-Investment Promotion Agency established under the [Korea Trade-Investment Promotion Agency Act](#) (hereinafter referred to as "Korea Trade-Investment Promotion Agency");
4. The Korea International Trade Association established with the permission from the Minister of Knowledge Economy in accordance with [Article 32 of the Civil Act](#) (hereinafter referred to as the "Korea International Trade Association");
5. Other institutions and organizations relating to trade and international commerce.

#### **Article 8 (Other Details of Implementation Plans for Promotion of International Commerce)**

"Other matters prescribed by Presidential Decree" in [Article 7 \(2\) 7 of the Act](#) means the following matters: <Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 21806, Nov. 2, 2009>

1. Implementation plans for promoting international commerce for each major region, economic bloc, or type of business;
2. Plans for trade activities of institutions and organizations involved in the promotion of trade and international commerce;
3. Other implementation plans deemed necessary by the Minister of Knowledge Economy in connection with the promotion of trade and international commerce.

#### **Article 9 (Research, etc. on International Commerce-Related Systems)**

Where it is necessary to establish an implementation plan for promoting commerce pursuant to [Article 7 \(3\) of the Act](#), the Minister of Knowledge Economy may request an institution or organization set forth in each subparagraph of [Article 7](#) (excluding subparagraph 2) to conduct research in a relevant field or a specific case or verify a fact.

*[This Article Wholly Amended by Presidential Decree No. 21806, Nov. 2, 2009]*

#### **Article 10 (Cooperation with Local Governments, etc.)**

(1) In order to effectuate implementation of action plans for promoting international commerce for each region under [Article 7 \(6\) of the Act](#), the Minister of Knowledge Economy may establish and operate a consultative body in which the Special Metropolitan City, Metropolitan Cities, Dos or the Special Self-Governing Province and other institutions or organizations relating to trade and international commerce take part. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(2) Necessary matters concerning the organization, operation, etc. of the consultative body under paragraph (1) shall be prescribed by the Minister of Knowledge Economy. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 11 (Procedures for Supporting Cooperative Activities in Private Sector)**

(1) Where an institution or organization relating to trade and international commerce desires to receive the support under [Article 8 \(1\) of the Act](#), it shall submit an application to the Minister of Knowledge Economy along with a project plan that contains the details of the project, outcomes of the project, etc. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(2) The Minister of Knowledge Economy may, upon receiving a project plan under paragraph (1), provide support, such as funds, human resources or information, if he/she concludes that it is necessary after examining the plan, for efficiently promoting cooperative activities in the areas of commerce, industry, technology, energy, etc. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(3) Necessary matters concerning the criteria, etc. for the support under paragraph (2) shall be prescribed by the Minister of Knowledge Economy. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(4) The Minister of Knowledge Economy may, if considered necessary for the support under paragraph (2), request the heads of relevant administrative agencies to provide cooperation. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(5) A related organization to which support has been provided shall submit a report on the outcomes of the project performed to the Minister of Knowledge Economy within three months after completion of the project for which such support has been provided. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 12 (Organization, Operation and Supervision of Center for Support of Overseas Expansion)**

(1) A center for support of overseas expansion under [Article 8 \(4\) of the Act](#) (hereinafter referred to as "supporting center for overseas expansion") shall be comprised of executives and employees of the Korea Trade-Investment Promotion Agency and persons dispatched under paragraph (3).

(2) If it is necessary to support overseas expansion of local enterprises, the president of the Korea Trade-Investment Promotion Agency may request the head of a relevant administrative agency, and the head of an institution or organization related to overseas expansion (hereinafter referred to as "overseas expansion-related institution") to dispatch public officials belonging thereto or its executives and employees.

(3) The head of a relevant administrative agency or the head of an overseas expansion-related institution who is requested to dispatch public officials, or executives and employees pursuant to paragraph (2) shall select persons competent to carry out relevant affairs and dispatch them to the supporting center for overseas expansion, and shall have prior consultation with the president of the Korea Trade-Investment Promotion Agency if he/she intends to cancel the dispatch service during the period of dispatch.

(4) The president of the Korea Trade-Investment Promotion Agency shall direct and supervise the service of public officials, or executives and employees dispatched to the supporting center for



overseas expansion pursuant to paragraph (3).

(5) The president of the Korea Trade-Investment Promotion Agency shall prepare his/her comments on the performance evaluation of public officials dispatched under paragraph (3) in accordance with [Article 17 \(3\) of the Regulations on Performance Evaluation, etc. of Public Officials](#) or [Article 31-3 \(3\) of the Decree on the Appointment of Local Public Officials](#), and serve them on the head of the relevant administrative agency who has dispatched such public officials. The head of the relevant administrative agency, in receipt of such comments, shall consider them in evaluating service performance.

(6) The president of the Korea Trade-Investment Promotion Agency shall prepare the actual results of carrying out supporting affairs for overseas expansion in the preceding year and plans for carrying out the said affairs in the relevant year and report such results and plans to the Minister of Knowledge Economy by January 31 of each year, and shall report quarterly performance records to the Minister of Knowledge Economy within one month after each quarter ends. In such cases, the Minister of Knowledge Economy shall notify the heads of relevant administrative agencies of the matters requiring cooperation from the heads of such agencies.

(7) The Minister of Knowledge Economy may subsidize expenses incurred in operating the supporting center for overseas expansion.

(8) In addition to matters provided for in paragraphs (1) through (7), detailed matters concerning the organization, operation, etc. of the supporting center for overseas expansion shall be prescribed by the president of the Korea Trade-Investment Promotion Agency after consulting with the Minister of Knowledge Economy.

*[This Article Wholly Amended by Presidential Decree No. 21806, Nov. 2, 2009]*

#### **Article 13 (Request for Submission of Data for Implementation of Treaty concerning Trade)**

If the Minister of Knowledge Economy intends to request the submission of data pursuant [Article 9 \(1\) of the Act](#), he/she shall make such request in writing (including electronic documents) stating data to be submitted, submission deadline, and other matters.

*[This Article Wholly Amended by Presidential Decree No. 21806, Nov. 2, 2009]*

**Articles 14 and 15 Deleted.** <by Presidential Decree No. 21806, Nov. 2, 2009>

## **CHAPTER III EXPORTATION AND IMPORTATION**

### **SECTION 1 General Provisions for Exportation and Importation**

#### **Article 16 (Restrictions on Exportation and Importation)**

The goods or such, the exportation or importation of which may be restricted or banned under [Article 11 \(1\) of the Act](#), shall be those enumerated in the following subparagraphs: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. Goods or such specified and publicly notified by the Minister of Knowledge Economy to fulfill the obligations under the treaties signed and promulgated pursuant to the [Constitution of the Republic of Korea](#) and generally accepted international laws and regulations;
2. Goods or such specified and publicly notified by the Minister of Knowledge Economy to protect biological resources;
3. Goods or such specified and publicly notified by the Minister of Knowledge Economy to promote economic cooperation with trading partner countries;
4. Goods or such specified and publicly notified by the Minister of Knowledge Economy as necessary for the effective control of supply of and demand for raw materials or equipment for the defense industry, aircraft and parts thereof and other materials, the development of scientific technology, and policies on trade and industry, subject to prior consultation with the heads of the relevant administrative agencies.

#### **Article 17 (Goods Subject to Approval for Exportation or Importation)**

The term "goods or such designated for fulfilling obligations under the treaties signed and promulgated pursuant to the [Constitution of the Republic of Korea](#) and generally accepted international laws and regulations or for protecting biological resources" in the main sentence of [Article 11 \(2\) of the Act](#) means goods or such under each of subparagraphs of [Article 16](#), which shall be designated further and publicly notified by the Minister of Knowledge Economy as goods subject to approval for exportation or importation. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 18 (Procedures, etc. for Approval for Exportation or Importation)**

(1) Any person who desires to obtain approval for exportation or importation of goods or such in accordance with the main sentence of [Article 11 \(2\) of the Act](#) shall file an application with the Minister of Knowledge Economy by accompanying documents specified by the Minister of Knowledge

Economy. The foregoing shall also apply to approval for any revision thereof. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(2) Approval for exportation or importation under the main sentence of [Article 11 \(2\) of the Act](#) shall be effective for one year: *Provided*, That the Minister of Knowledge Economy may designate a different effective period, if deemed necessary for the stabilization of domestic prices, control of supply and demand, terms and conditions of the delivery of goods or such, or any other aspects of transactions. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(3) The term "important matters prescribed by Presidential Decree" in [Article 11 \(3\) of the Act](#) means the following matters:

1. Quantity and price of the goods or such;
2. Effective period of the approval;
3. Matters concerning the parties involved in the exportation or importation.

#### **Article 19 (Exemption from Approval for Exportation or Importation)**

The term "goods or such specified by Presidential Decree" in the proviso to [Article 11 \(2\) of the Act](#) means the following goods or similar: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. Goods or such specified and publicly notified by the Minister of Knowledge Economy, which are carried in person or dispatched with a declaration filed with a customs office by diplomats or other persons specified by the Minister of Knowledge Economy when they enter or leave the Republic of Korea;
2. Goods or such publicly notified by the Minister of Knowledge Economy, subject to prior consultation with the heads of relevant administrative agencies, which fall under any of the following items:
  - (a) Goods or such inappropriate for exporting or importing through normal processing for exportation or importation because urgent processing is required;
  - (b) Goods or such exported or imported through a transaction incidental to main exports or imports for facilitating smooth trading transactions;
  - (c) Goods or such exported or imported incidentally in order to accomplish a main business objective;
  - (d) Goods or such re-exported or re-imported without consideration after having been imported or exported without consideration, or exported or imported for the purposes of importing or exporting without consideration, which shall be recognized as inevitable for accomplishing the intended business objective;
  - (e) Goods or such exported to or imported from a region specified and publicly notified by the Minister of Knowledge Economy;
  - (f) Goods or such for public interests or for similar purposes of use, in which case additional exportation or importation controls are deemed unnecessary;
  - (g) Goods or such exported or imported for any purpose other than commercial transactions;
3. Goods or such imported without involving any foreign exchange transaction, which shall be further specified and publicly notified by the Minister of Knowledge Economy;
4. Raw materials, machinery, or equipment removed from the Republic of Korea by an immigrant under the [Emigration Act](#) for emigration to a foreign country, which shall be recognized by the Minister of Foreign Affairs and Trade or the head of an authority designated by the Minister of Foreign Affairs and Trade.

#### **Article 20 (Recognition of Specific Types of Exportation and Importation)**

(1) "Types of exportation or importation of certain goods, etc. specified by Presidential Decree" in [Article 13 \(1\) of the Act](#) means the types of exportation or importation, the whole or a part of which falls under any of the following subparagraphs and which meets the criteria prescribed and publicly announced by the Minister of Knowledge Economy (hereinafter referred to as "specific types of transactions"): <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. Transactions that are likely to circumvent a restriction on exportation or importation under [Article 11 \(1\) of the Act](#);
  2. Transactions that are likely to undermine protective measures for industries;
  3. Transactions with a transfer or assignment of goods, etc. from a foreign country to another foreign country, for which the status of settlement of the payment is considered difficult to verify because the payment is made or received within the Republic of Korea;
  4. Transactions by which goods, etc. are moved without accompanying the settlement of payment.
- (2) The procedure for the recognition of specific types of transactions, the effective period of the recognition, and other necessary matters shall be prescribed and publicly announced by the Minister of Knowledge Economy. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>
- (3) In recognizing specific types of transactions, the Minister of Knowledge Economy may request the heads of relevant administrative agencies to provide cooperation, if deemed necessary to identify a new type of transactions, etc. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 21 (Development and Operation of Computerized Management System)**

(1) The Minister of Knowledge Economy shall develop and operate the following computerized management systems pursuant to [Article 15 \(1\) of the Act](#) so as to ensure that transactions of exportation and importation are made in good order and in an efficient manner: <Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 21806, Nov. 2, 2009>

1. The computerized management system for building up a database for statistics on exportation and importation, including granting and managing identification numbers of traders (hereinafter referred to as "trader's identification number");
2. The computerized management system for preventing unfair international trade practices stipulated under [Article 4 of the Act on the Investigation of Unfair International Trade Practices and Remedy against Injury to Industry](#);
3. The following computerized management systems for ensuring efficiency in transactions of exportation and importation:
  - (a) The computerized management systems for interconnecting computerized trade management systems between different business sectors in an organized manner;
  - (b) The computerized management systems related to trade designated by the heads of relevant administrative agencies after consultation with the Minister of Knowledge Economy as the heads deem necessary to do so;
4. Other computerized management systems recognized as necessary by the Minister of Knowledge Economy upon the request of traders.

(2) If it is deemed necessary for the development and operation of a computerized management system pursuant to paragraph (1), the Minister of Knowledge Economy may subsidize some expenses to the institutions that provide information necessary for the development or operation of the computerized management systems. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 22 (Collection and Analysis of Information on Exportation and Importation)**

(1) If it is necessary for the development and operation of computerized management systems under [Article 21](#), the Minister of Knowledge Economy may request the Commissioner of the Korea Customs Service to furnish him/her with the following information pursuant to [Article 15 \(2\) of the Act](#):

<Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. Information about traders, including trade names, personal names, etc. of traders who have filed a declaration under [Article 241 of the Customs Act](#);
  2. Information related to the date of acceptance of each declaration filed in accordance with [Article 241 of the Customs Act](#), the product names, quantity, and price of exported or imported goods, the types of transactions, etc., as specified further by the Minister of Knowledge Economy.
- (2) The Minister of Knowledge Economy shall comprehensively analyze and manage relevant information collected in accordance with paragraph (1), and [Article 92 \(2\)](#) of this Decree, and [Article 48 \(1\) of the Act](#) so as to develop or operate computerized management systems pursuant to [Article 21](#). <Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 21806, Nov. 2, 2009>
- (3) The timing and method for furnishing information pursuant to paragraphs (1) and (2), the form of information, and other matters necessary for the collection of information shall be prescribed by the Minister of Knowledge Economy. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 23 (Confirmation of Exportation or Importation of Services or Intangibles in Electronic Form)**

(1) The Minister of Knowledge Economy may, upon receiving an application for confirmation of exportation or importation of any services under [Article 3](#) or intangibles in an electronic form under [Article 4](#), filed by the exporter or importer with an intention to obtain support for exportation or importation, confirm the exportation or importation of such services or intangibles. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(2) Detailed procedures, etc. necessary for the confirmation of exportation or importation under paragraph (1) shall be prescribed and publicly announced by the Minister of Knowledge Economy. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

### **SECTION 2 Importation, Purchase, etc. of Raw Materials or Equipment for Earning Foreign Exchanges**

#### **Article 24 (Import License on Raw Materials or Equipment for Foreign Exchange Earnings)**

(1) Anyone who intends to import goods or such, designated as those subject to import approval pursuant to [Article 17](#), as materials or equipment for foreign exchange earnings in accordance with the main sentence of [Article 16 \(1\) of the Act](#) shall obtain a license from the Minister of Knowledge Economy in compliance with the guidelines prescribed and publicly notified by the Minister of Knowledge Economy. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(2) The Minister of Knowledge Economy shall, when he/she intends to impose a restriction on the importation of raw materials or equipment for foreign exchange earnings for the purposes of promoting the use of domestically produced raw materials or equipment pursuant to the proviso to [Article 16 \(1\) of the Act](#), determine and publicly notify the items on which he/she intends to impose such a restriction and a separate procedure necessary for the importation of such items. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 25 (Items and Quantity of Raw Materials or Equipment for Foreign Exchange Earnings)**

(1) The quantity of raw materials and equipment for foreign exchange earnings as referred to in [Article 16 \(2\) of the Act](#) means the standard requirements for raw materials or equipment for foreign exchange earnings, necessary for producing one unit of goods or such for foreign exchange earnings.

(2) The Minister of Knowledge Economy may, when he/she determines the standard requirements for raw materials or equipment for foreign exchange earnings pursuant to paragraph (1), include the average quantity of loss that may be incurred in the manufacturing process, in addition to the actual quantity required for the production of the relevant goods or such. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(3) Necessary matters concerning the guidelines, methods, etc. for the preparation of the statement of requirements for raw materials or equipment for foreign exchange earnings for each item shall be prescribed further and publicly notified by the Minister of Knowledge Economy. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 26 (Extent of Foreign Exchange Earnings)**

(1) The extent of foreign exchange earnings under [Article 16 \(4\) of the Act](#) shall be the foreign currency exchange earned by any of the following means: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. Exportation;
2. Sale of goods or such to the agencies of United Nations Forces in the Republic of Korea or any other foreign armed forces;
3. Tourism;
4. Overseas operations of services or construction works;
5. Domestic sale of goods or such, which falls under the criteria prescribed and publicly notified by the Minister of Knowledge Economy.

(2) Export brokerage by a trader on condition of receiving a commission from an importer in a foreign country shall be deemed as an act equivalent to the acts for foreign exchange earnings under paragraph (1).

#### **Article 27 (Time Period for Fulfilling Obligation to Earn Foreign Exchange)**

(1) The time period for fulfilling the obligation to earn foreign exchange under [Article 16 \(4\) of the Act](#) shall be prescribed and publicly notified by the Minister of Knowledge Economy within the limit set forth for each category in the following subparagraphs: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. Where an importer of raw materials or equipment for foreign exchange earnings him/herself shall fulfill the obligation to earn foreign exchange: Two years from the date of customs clearance or delivery;
2. Where a transferee of raw materials or equipment for foreign exchange earnings or the goods or such produced with such raw materials or equipment, which has been transferred by another person, shall fulfill the obligation to earn foreign exchange: One year from the date of transfer;
3. Where it takes two years or longer to produce or gather the goods or such for foreign exchange earnings: The time period equivalent to that taken for such production or gathering.

(2) A person who assumes an obligation to earn foreign exchange shall, if it is found impossible for him/her to fulfill the obligation within the time limit under paragraph (1), file an application for extension of the time limit with the Minister of Knowledge Economy along with the documents specified by the Minister of Knowledge Economy. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(3) The Minister of Knowledge Economy may, upon receiving an application under paragraph (2), extend the time limit for fulfilling the obligation to earn foreign exchange, if he/she concludes that the application is reasonable. <Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 21104, Nov. 5, 2008>

#### **Article 28 (Follow-up Management of Raw Materials or Equipment for Foreign Exchange Earnings)**

(1) As regards the raw materials or equipment imported for earning foreign currency exchange after obtaining approval under [Article 24](#) and the goods or such produced with such raw materials or equipment, the Minister of Knowledge Economy shall carry out follow-up management as to whether or not the person who assumes the obligation to earn foreign exchange fulfills his/her obligation. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(2) As regards the raw materials or equipment for foreign exchange earnings imported under the



import license under [Article 11 \(2\) of the Act](#) by anyone who meets the requirements prescribed and publicly notified by the Minister of Knowledge Economy, the Minister may allow the person who obtains the import license to carry out the follow-up management, notwithstanding paragraph (1). The foregoing shall also apply to a transferee of raw materials or equipment for foreign exchange earnings under [Article 17 of the Act](#), who meets the requirements prescribed and publicly notified by the Minister of Knowledge Economy. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(3) The follow-up management under paragraphs (1) and (2) shall be done for each person who assumes the obligation to earn foreign exchange and for each item based on the total quantity of imports for each quarter of the year, but necessary matters concerning the method of follow-up management, etc. shall be prescribed and publicly notified by the Minister of Knowledge Economy. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 29 (Exemption from Follow-up Management of Raw Materials or Equipment for Foreign Exchange Earnings)**

Notwithstanding [Article 28](#) (1), the Minister of Knowledge Economy may omit follow-up management in cases falling under any of the following subparagraphs: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. If the non-performance rate of the person who assumes the obligation to earn foreign exchange for each item is ten percent or less;
2. If the quarterly non-performance rate of the person who assumes the obligation to earn foreign exchange is ten percent or less, and the amount not performed is equivalent to 20,000 U.S. dollars or less;
3. If the Minister of Knowledge Economy acknowledges that the person who assumes the obligation to earn foreign exchange fails to fulfill his/her obligation due to any cause or event not attributable to him/her;
4. If the Minister of Knowledge Economy acknowledges that it is no longer necessary to fulfill the obligation to earn foreign exchange or carry out follow-up management because the item in question has been excluded from classification as goods or such subject to import license or on any other ground.

#### **Article 30 (Approval for Change to Purposes of Use of Raw Materials or Equipment for Foreign Exchange Earnings)**

(1) Anyone who desires to obtain approval for a change to the purpose of use of raw materials or equipment for foreign exchange earnings, or goods or such manufactured with such materials or equipment in accordance with the main sentence of [Article 17 \(1\) of the Act](#) shall submit to the Minister of Knowledge Economy an application along with accompanying documents specified by the Minister of Knowledge Economy. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(2) The term "any unavoidable reason or cause" in the main sentence of [Article 17 \(1\) of the Act](#) means a case falling under any of the following subparagraphs: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. When it becomes impossible to fulfill the obligation to earn foreign exchange due to a war, an upheaval, a natural disaster, an institutional change in the Republic of Korea or any of its trading partner countries;
2. When the goods or such produced with raw materials or equipment for foreign exchange earnings require high technology in manufacturing, and thus there is a need to produce a trial sample prior to fulfilling the obligation to earn foreign exchange;
3. When it becomes impossible to fulfill the obligation to earn foreign exchange due to any cause or event not attributable to the person who assumes the obligation;
4. When the Minister of Knowledge Economy acknowledges that it is impossible to fulfill the obligation to earn foreign exchange due to a cause or event beyond control.

(3) The term "materials and equipment specified by Presidential Decree and the product and similar manufactured with such materials and equipment" in the proviso to [Article 17 \(1\) of the Act](#) means the goods or such falling under any of the following subparagraphs:

1. Raw materials or equipment for foreign exchange earnings amounting to the average quantity of loss under [Article 25](#) (2) or goods or such produced with such materials or equipment;
2. Raw materials or equipment for foreign exchange earnings under subparagraph 4 of [Article 29](#).

(4) Anyone who desires to obtain approval to transfer raw materials or equipment for foreign exchange earnings or the goods or such manufactured with such raw materials or equipment in accordance with [Article 17 \(2\) of the Act](#) shall file an application with the Minister of Knowledge Economy along with the accompanying documents specified by the Minister. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(5) The term "materials and equipment specified by Presidential Decree" in the proviso to [Article 17 \(2\) of the Act](#) means raw materials or equipment for foreign exchange earnings, which falls under any of the subparagraphs of [Article 29](#).

### **Article 31 (Application for and Issuance, etc. of Purchase Certificate)**

(1) Anyone who wishes to have a purchase certificate issued pursuant to [Article 18 \(1\) of the Act](#) shall file an application for confirmation of purchasing with the Minister of Knowledge Economy along with the following documents attached thereto: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

1. A document concerning the purchaser and supplier involved;
2. A document concerning the price, quantity, etc. of the raw materials or equipment for foreign exchange earnings;
3. A document certifying that the raw materials or equipment is for earning foreign exchange under [Article 16 \(1\) of the Act](#), as prescribed further and publicly notified by the Minister of Knowledge Economy.

(2) The Minister of Knowledge Economy shall, upon receiving an application under paragraph (1), examine and make a decision on whether the raw materials and equipment that the applicant intends to purchase fall within the scope of foreign exchange earnings under [Article 26](#) to issue a purchase certificate. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

(3) Further detailed matters necessary for the issuance, etc. of the purchase certificate shall be prescribed and publicly notified by the Minister of Knowledge Economy, in addition to paragraphs (1) and (2). *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

## **SECTION 3 Exportation or Importation of Strategic Items**

### **Article 32 (Multilateral International Export Control Systems)**

The term "multilateral international export control system prescribed by Presidential Decree" in [Article 19 \(1\) of the Act](#) means the followingsystems:

1. Wassenaar Arrangement (WA);
2. Nuclear Supplier Group (NSG);
3. Missile Technology Control Regime (MTCR);
4. Australia Group (AG);
5. Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (CWC);
6. Biological Weapons Convention (BWC).

### **Article 32-2 (Technology Requiring Restrictions on Export Permit, etc)**

"Technology determined by Presidential Decree" in [Article 19 \(1\) of the Act](#) means technology publicly announced by the Minister of Knowledge Economy following consultation with the head of a relevant administrative agency, which is used in the manufacturing, development, use, etc. of goods determined by the multilateral international export control system.

*[This Article Newly Inserted by Presidential Decree No. 21806, Nov. 2, 2009]*

### **Article 33 (Application, etc. for Export Permit or Catch-All Controls for Strategic Items)**

(1) Anyone who intends to export a strategic item or any goods, etc. that do not fall within the category of strategic items, but have high potential of being diverted to some other purpose, such as the manufacturing, development, use, storage, etc. of weapons of mass destruction and missiles capable of delivering them (hereinafter referred to as "weapons of mass destruction, etc.") shall file an application for export permit for strategic items or catch-all controls with the Minister of Knowledge Economy or the head of the competent administrative agency along with the following documents: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 22419, Oct. 1, 2010>*

1. An export contract, a provisional export contract, or any document equivalent thereto;
2. A certificate of import purpose issued by the government of the importing country or any document equivalent thereto;
3. A document indicating the purpose of use and performance of the goods, etc. to be exported;
4. A document concerning the technical features of the goods, etc. to be exported;
5. Other documents necessary for export permits or catch-all controls, specified and publicly announced by the Minister of Knowledge Economy.

(2) The Minister of Knowledge Economy or the head of the competent administrative agency shall, upon receiving an application for an export permit or catch-all control under paragraph (1), make a decision on whether to grant the export permit or catch-all control within 15 days, and shall notify the applicant of the results thereof; *Provided*, That the period required for consultation or field inspection shall not be included in calculation of the period set forth in the main sentence above, if a separate examination on technology, consultation with related administrative agencies or field inspection is required for the goods, etc. for which the export permit or catch-all control is applied. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

#### **Article 34 (Guidelines for Export Permits or Catch-All Controls)**

"Guidelines prescribed by Presidential Decree" in [Article 19 \(4\) of the Act](#) are as follows: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. Whether the goods, etc. are intended to be used for a peaceful purpose;
2. Whether the exportation of the goods, etc. is likely to affect the maintenance of safety and national security;
3. Whether the importer, end user, etc. of the goods, etc. are properly qualified for transactions, and whether the purpose of use is trustworthy;
4. Whether other terms and conditions prescribed and publicly announced by the Minister of Knowledge Economy in connection with the principles of multilateral international export control systems under [Article 32](#) are complied with.

#### **Article 35 (Strategic Items Exempt from Export Permits or Catch-All Controls)**

If any of the following cases occurs, exporters shall be exempted from an export permit or catch-all control of strategic items pursuant to [Article 19 \(5\) of the Act](#), but shall submit a report on export transactions to the Minister of Knowledge Economy or the head of a relevant administrative agency within seven days after the exportation of such items:

1. Where an exporter exports public commodities to be used for overseas diplomatic or consular missions, armed forces of the Republic of Korea dispatched overseas, diplomatic envoys, etc.;
2. Where an exporter exports machinery, instruments, components, etc. used for emergency repair to ensure safe navigation of ships or aircraft;
3. Other cases publicly announced by the Minister of Knowledge Economy following consultation with the head of a relevant administrative agency as deemed necessary to exempt exporters from an export permit or catch-all control.

*[This Article Wholly Amended by Presidential Decree No. 21806, Nov. 2, 2009]*

#### **Article 36 (Application for Determination of Strategic Items)**

(1) Anyone who wishes to have certain goods, etc. examined to determine whether they are strategic items in accordance with [Article 20 \(2\) of the Act](#) shall file an application for determination of strategic items with the Minister of Knowledge Economy or the head of the competent administrative agency along with the following documents attached thereto: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. A document indicating the purpose of use and performance of the goods, etc.;
2. A document concerning technical features of the goods, etc.;
3. Other documents necessary for determination of strategic items, prescribed and publicly announced by the Minister of Knowledge Economy.

(2) The Minister of Knowledge Economy or the head of the competent administrative agency shall, upon receiving an application under paragraph (1), determine whether the goods, etc. for which the application has been filed fall within the scope of strategic items within 15 days, and shall notify the applicant of the results thereof: *Provided*, That the period necessary for the examination on technology or consultation shall not be included in the period set forth in the main sentence above, in cases where a separate examination on technology or consultation with another relevant administrative agency is required in connection with the goods, etc. for which the application for determination of strategic items has been filed. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(3) The determination of strategic items under paragraph (2) shall be effective for two years.

(4) The Minister of Knowledge Economy may, if necessary for efficiently carrying out the affairs relating to the export control of strategic items, prescribe and publicly announce the objective descriptions that enable identification of certain goods, etc., which have been to be strategic items under paragraph (2), including the name, specification, control number, etc. of the goods, etc.

<Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 37 (Specialized Institution Related to Determination of Strategic Items)**

"Relevant specialized institution determined by Presidential Decree" in the latter part of [Article 20 \(2\) of the Act](#) means the Korea Institute of Nuclear Nonproliferation and Control under [Article 9-5 of the Atomic Energy Act](#).

*[This Article Wholly Amended by Presidential Decree No. 21806, Nov. 2, 2009]*

**Articles 38 and 39 Deleted.** <by Presidential Decree No. 21806, Nov. 2, 2009>

#### **Article 40 (Issuance of Importation Purpose Certificate of Strategic Items)**

(1) Anyone who wishes to obtain an importation purpose certificate of a strategic item pursuant to [Article 22 of the Act](#) shall submit to the Minister of Knowledge Economy or the head of the competent administrative agency an application for issuing the importation purpose certificate for the strategic item, along with the accompanying documents prescribed and publicly announced by the Minister of Knowledge Economy or the head of the competent administrative agency as required for verifying the

purpose of importation of the strategic item, including documents certifying the end user and the purpose of using such strategic item. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

(2) Upon receiving an application under paragraph (1), the Minister of Knowledge Economy or the head of the competent administrative agency shall issue an importation purpose certificate for the strategic item within seven days: *Provided*, That the period required for an examination on technology or consultation shall not be included in the period set forth in the main sentence above, if a separate examination on technology or consultation with another relevant administrative agency is required in connection with the goods, etc. for which the application for certifying the purpose of importation has been filed. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 40-2 (Permission for Transit or Transshipment of Strategic Items, etc.)**

(1) "Any person prescribed by Presidential Decree" in [Article 23 \(3\) of the Act](#) means any of the following persons:

1. Any person who intends to transit or transship strategic items (referring to strategic items, or goods, etc. subject to catch-all controls), the use of which is converted or deemed likely to be converted to manufacture, develop, use, store, etc. weapons of mass destruction, etc.;
2. A person who is notified from the Minister of Knowledge Economy or the head of a relevant administrative agency to obtain permission for transit or transshipment pursuant to [Article 23 \(3\) of the Act](#).

(2) Any person who intends to obtain permission for transit or transshipment pursuant to [Article 23 \(3\) of the Act](#) shall submit an application for permission to the Minister of Knowledge Economy or the head of a relevant administrative agency, along with documents necessary for permission for transit or transshipment which are determined and publicly announced by the Minister of Knowledge Economy.

*[This Article Wholly Amended by Presidential Decree No. 22419, Oct. 1, 2010]*

#### **Article 41 (Application, etc. for Brokerage Permit for Strategic Items)**

(1) Anyone who intends to engage in brokering any transaction involving a strategic item in accordance with [Article 24 \(1\) of the Act](#) shall submit an application to the Minister of Knowledge Economy or the head of the competent administrative agency along with the following documents: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. A contract, a provisional contract, or any document similar thereto;
2. A document concerning the exporter, importer, broker, etc. involved in the brokerage;
3. A document indicating the purpose of use and performance of the strategic item subject to the brokerage;
4. A document concerning the technical features of the strategic item subject to the brokerage;
5. Other documents prescribed and publicly announced by the Minister of Knowledge Economy as required for the brokerage permit for the strategic item.

(2) Upon receiving an application for a brokerage permit under paragraph (1), the Minister of Knowledge Economy or the head of the competent administrative agency shall decide whether to grant the brokerage permit, and shall notify the applicant of the results thereof within 15 days: *Provided*, That the period required for a separate examination on technology, consultation with another relevant administrative agency, or field inspection, if necessary, shall not be included in the period set forth in the main sentence above. <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

#### **Article 41-2 (Exemption from Brokerage Permit for Strategic Items)**

"Cases determined by Presidential Decree, including cases for which an export permit has been obtained in accordance with the principles of the multilateral international export control system" in the proviso to [Article 24 \(1\) of the Act](#) means any of the following cases:

1. Where an export permit is obtained from an exporting country in accordance with the principles of the multilateral international export control system pursuant to [Article 19 \(1\) of the Act](#);
2. Where strategic items are imported or exported through brokerage in an area publicly announced by the Minister of Knowledge Economy.

*[This Article Newly Inserted by Presidential Decree No. 21806, Nov. 2, 2009]*

#### **Article 42 (Guidelines for Brokerage Permits)**

"Guidelines prescribed by Presidential Decree" in [Article 24 \(2\) of the Act](#) are as follows: <Amended by Presidential Decree No. 20678, Feb. 29, 2008>

1. Whether the goods, etc. in question are intended to be used for a peaceful purpose;
2. Whether the brokerage of the goods, etc. is likely to affect the maintenance of safety and the national security;
3. Whether the exporter, importer, end user, etc. of the goods, etc. in question are suitably qualified for the transactions, and whether the purpose of use is trustworthy;
4. Whether other terms and conditions prescribed and publicly announced by the Minister of Knowledge Economy in connection with the principles of multilateral international export control



systems under [Article 32](#) have been complied with.

#### **Article 43 (Designation, etc. of Self-Compliance Traders)**

(1) "Abilities prescribed by Presidential Decree" in [Article 25 \(1\) of the Act](#) means the following abilities:

1. Ability to discern whether the item in question falls within strategic items;
2. Ability to analyse the identification of importers and end users;
3. Ability to establish and operate a self-controlling organization.

(2) Anyone who wishes to obtain designation as a self-compliance trader under [Article 25 \(1\) of the Act](#) shall file an application for designation as a self-compliance trader with the Minister of Knowledge Economy along with the following documents attached thereto: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

1. A document certifying the fact that the person satisfies the requirements under each of subparagraphs of paragraph (1);
2. Working rules and an organizational chart for the self-controlling works for the export control;
3. Other documents prescribed and publicly announced by the Minister of Knowledge Economy as required for designation as a self-compliance trader.

(3) The Minister of Knowledge Economy shall, upon receiving an application for designation as a self-compliance trader, notify the applicant of his/her decision on whether to designate within 40 days. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

#### **Article 44 (Scope of Self-Controlling Works by Self-Compliance Traders)**

Pursuant to [Article 25 \(2\) of the Act](#), the Minister of Knowledge Economy may allow a self-compliance trader to manage the following export control works by him/herself in connection with the export permit for a strategic item under [Article 19 of the Act](#): *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

1. Submission of accompanying documents required to apply for export permit (applicable only where they are submitted within seven days after exportation);
2. Other works prescribed and publicly announced by the Minister of Knowledge Economy in order to effectuate the export permission system for strategic items efficiently.

#### **Article 45 (Reporting by Self-Compliance Traders)**

Each self-compliance trader shall submit to the Minister of Knowledge Economy a report on the current status or performance for the following matters within the relevant period in accordance with [Article 25 \(3\) of the Act](#): *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

1. Half-yearly results of export permission for strategic items under [Article 19 of the Act](#): Within one month of the following half-year term;
2. Annual status concerning the matters set forth in the subparagraphs of [Article 43 \(1\)](#): Within one month of the following year.

#### **Article 46 (Business of Korea Strategic Trade Institute)**

"Other affairs prescribed by Presidential Decree" in [Article 29 \(5\) 4 of the Act](#) means the following affairs: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 21806, Nov. 2, 2009>*

1. Conducting surveys and research on the control of exportation and importation of strategic items, and supporting public relations activities;
2. Supporting international cooperative activities related to the exportation and importation control of strategic items;
- 2-2. Supporting designation and management of self-compliance traders of strategic items pursuant to [Article 25 of the Act](#);
3. Affairs entrusted by the Minister of Knowledge Economy in connection with the determination and notification of strategic items.

#### **Article 47 (Organization, Operation, etc. of Council for Control of Exportation and Importation of Strategic Items)**

(1) The Council for the Control of Exportation and Importation of Strategic Items under [Article 30 \(1\) of the Act](#) (hereinafter referred to as the "Council") shall be chaired by the head of the competent administrative agency depending on the items on the agenda as follows, and the chairperson of the Council shall determine the extent of attending administrative agencies for assigned affairs to convene a meeting of the Council: *<Amended by Presidential Decree No. 21104, Nov. 5, 2008; Presidential Decree No. 21806, Nov. 2, 2009>*

1. The Ministry of Education, Science and Technology: Affairs concerning the control of exportation and importation of items used exclusively for nuclear power, prescribed and publicly announced jointly by the Minister of Education, Science and Technology and the Minister of Knowledge Economy;
2. The Ministry of Unification: Affairs concerning the strategic items among the items subject to

- approval for bringing in and out under the [Inter-Korean Exchange and Cooperation Act](#) and the affairs that affect the exchanges and cooperation between South and North Korea;
3. The Ministry of Foreign Affairs and Trade: Affairs that affect diplomatic relations and negotiations in international commerce and affairs concerning the international norms related to exportation and importation control of strategic items;
  4. The Ministry of National Defense: Affairs concerning the control of exportation and importation of defense industry supplies and defence science and technology under the [Defense Acquisition Program Act](#) and affairs that affect the national security;
  5. The Ministry of Knowledge Economy: Affairs concerning the control of exportation and importation of strategic items under the [Foreign Trade Act](#) (excluding items used exclusively for nuclear power, prescribed and publicly announced jointly by the Minister of Education, Science and Technology and the Minister of Knowledge Economy).
- (2) The members of the Council shall be the public officials in the Senior Civil Service of the administrative agencies, which are called to a meeting pursuant to paragraph (1), who are responsible for affairs related to the control of exportation and importation of strategic items.
- (3) The Council may establish a working council if necessary to efficiently manage the Council.
- (4) Necessary matters concerning the management of the Council and the working council shall be prescribed by agreement between the heads of the relevant administrative agencies as set forth in paragraph (1).
- (5) "Intelligence investigative agency specified by Presidential Decree" in [Article 30 \(3\) of the Act](#) means the following agencies:
1. The National Intelligence Service;
  2. The Public Prosecutors' Office;
  3. The National Police Agency;
  4. The Defense Security Command.

#### **Article 48 (Training for Breachers, etc. of Obligation to Permit)**

- (1) Training hours pursuant to [Article 49 of the Act](#) (hereinafter referred to as "training") shall be eight or fewer hours.
- (2) The Minister of Knowledge Economy or the head of a relevant administrative agency may require the Korea Strategic Trade Institute under [Article 29 of the Act](#), the Korea Institute of Nuclear Nonproliferation and Control under [Article 37](#), and any other institute determined and publicly announced by the Minister of Knowledge Economy to conduct training.
- (3) In addition to matters provided for in paragraphs (1) and (2), necessary matters concerning training shall be prescribed by the Minister of Knowledge Economy after consulting with the head of a relevant administrative agency.

*[This Article Wholly Amended by Presidential Decree No. 21806, Nov. 2, 2009]*

#### **Article 49 (Organization and Operation of Technical Advisory Team for Strategic Items)**

- (1) The Minister of Knowledge Economy may organize and operate the technical advisory team for strategic items, which shall be responsible for advising on the following matters: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*
1. Likelihood to use certain goods, etc. for the purposes of manufacturing, developing, using, storing, etc. weapons of mass destruction;
  2. Assessment and analysis of goods, etc. subject to the control of multilateral international export control systems;
  3. Determination as to whether certain goods, etc. are strategic items.
- (2) Necessary matters concerning the organization, operation, etc. of the technical advisory team for strategic items shall be prescribed and publicly announced by the Minister of Knowledge Economy. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

## **SECTION 4 Exportation of Plants**

#### **Article 50 (Application, etc. for Approval for Exportation)**

Anyone who intends to obtain approval for exportation of plants pursuant to [Article 32 \(1\) of the Act](#) shall file an application with the Minister of Knowledge Economy along with accompanying documents specified by the Minister of Knowledge Economy. The foregoing shall also apply to approval for any revision thereof. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 22419, Oct. 1, 2010>*

#### **Article 51 (Facilities)**

"Facilities prescribed by Presidential Decree" in [Article 32 \(1\) 1 of the Act](#) means the following facilities: *Provided*, That facilities exported on a turnkey basis together with an overseas construction project shall be excluded herefrom: *<Amended by Presidential Decree No. 22419, Oct. 1, 2010>*

1. Power generation facilities;
2. Facilities for seawater desalination and water processing;
3. Marine facilities and water rescue facilities;
4. Petroleum treatment facilities and petrochemical facilities;
5. Oil refining facilities and oil supply facilities;
6. Storage tanks and storage base facilities;
7. Freezing and refrigerating facilities;
8. Steel manufacturing/processing facilities and steel structural facilities;
9. Anti-pollution facilities;
10. Air-conditioning facilities;
11. New and renewable energy facilities;
12. Stationary transporting, loading and unloading facilities, and stationary construction facilities;
13. Test and research facilities;
14. Other necessary facilities for industrial activities.

#### **Article 52 (Construction Works)**

(1) "Construction works" in [Article 32 \(1\) 2 of the Act](#) means the performance of the following construction works: *<Amended by Presidential Decree No. 22419, Oct. 1, 2010>*

1. Civil engineering works;
2. Building works;
3. Installation works of plants: *Provided*, That the foregoing shall not include any construction work, executed by the exporter of a plant itself or a person who has designed or manufactured any equipment or machinery for exportation, for installation of the equipment or machinery.

(2) Notwithstanding the proviso to paragraph (1) 3, the Minister of Knowledge Economy may recognize construction works executed by the exporter of a plant itself or a person who has designed or manufactured the equipment or machinery for exportation, for installation of the equipment or machinery as installation works of plants, only when such person intends to have such construction works recognized as the actual performance of overseas construction works under Article 17 (1) 1 (d) of the Enforcement Decree of the Overseas Construction Promotion Act. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 22419, Oct. 1, 2010>*

#### **Article 53 (Request, etc. for Consent)**

(1) When the Minister of Knowledge Economy intends to obtain prior consent of the Minister of Land, Transport and Maritime Affairs with regard to his/her approval or revised approval for exportation on a turnkey basis under [Article 32 \(3\) of the Act](#), he/she shall serve, on the competent Minister, a document specifying the overview of the exportation of the plant in question and the following details: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 22269, Jul. 12, 2010; Presidential Decree No. 22419, Oct. 1, 2010>*

1. Name (in cases of a corporation, referring to its trade name and name of its representative) and address of the person who executes the construction services and works;
2. Business plan for the construction services and works.

(2) Upon receiving a request pursuant to paragraph (1), the Minister of Land, Transport and Maritime Affairs shall notify the Minister of Knowledge Economy as to whether to give his/her consent by no later than ten days from the date on which such request is received, unless extenuating circumstances exist. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 22269, Jul. 12, 2010; Presidential Decree No. 22419, Oct. 1, 2010>*

#### **Article 54 (Designation of Institution Responsible for Exportation of Plants, etc.)**

(1) The Minister of Knowledge Economy shall comprehensively examine the following matters in designating an institution or organization responsible for the affairs of promoting the projects, such as market surveys for exportation of plants, pursuant to the latter part of [Article 32 \(6\) of the Act](#) (hereinafter referred to as "institution responsible for the promotion of exportation of plants"): *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 22419, Oct. 1, 2010>*

1. Qualifications for representing the exporters of plants;
2. Business plan for market surveys, etc.

(2) The Minister of Knowledge Economy may require an institution responsible for the promotion of exportation of plants designated under paragraph (1) to submit a report on the following matters in connection with the promotion of the projects, such as market surveys for exportation of plants: *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 22419, Oct. 1, 2010>*

1. Trends in the exportation of plants;
2. Matters concerning the promotional activities including market surveys for exportation of plants, exchanged information, awarded contracts, and actual performance of the promoted cooperative movement projects;

3. Other matters concerning the exportation of plants, as requested by the Minister of Knowledge Economy.

## CHAPTER III-2 Indication, etc. of Origin

### Article 55 (Designation, etc. of Goods which shall Bear Indication of Origin)

(1) Where the Minister of Knowledge Economy intends to provide a public announcement of the goods which shall bear an indication of the origin pursuant to [Article 33 \(1\) of the Act](#) (hereinafter referred to as "goods which shall bear an indication of origin"), he/she shall first consult with the head of the competent administrative agency having control over the relevant goods. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 22419, Oct. 1, 2010>*

(2) "Simple processing prescribed by Presidential Decree" in [Article 33 \(2\) of the Act](#) means processing activities, such as packaging activities of a product for sale, simple activities for maintaining product value, etc. which are insufficient for intrinsically characterizing a product, and the detailed scope of such processing activities shall be prescribed and publicly announced by the Minister of Knowledge Economy following consultation with the head of the competent central administrative agency. *<Newly Inserted by Presidential Decree No. 22419, Oct. 1, 2010>*

### Article 56 (Method of Indicating Origin of Imported or Exported Goods)

(1) Anyone who intends to import any goods which shall bear an indication of origin shall attach a mark of origin on the goods in question in compliance with the following subparagraphs:

1. The mark shall be printed in Korean, Chinese characters or English;
2. The mark shall be indicated in a typeface easily readable to end purchasers;
3. The mark shall be located on a conspicuous part;
4. The mark shall be indicated so as to make it difficult to erase or remove.

(2) Notwithstanding paragraph (1), if it is deemed difficult or unnecessary to indicate the origin on certain goods and the goods meet the standards prescribed and publicly announced by the Minister of Knowledge Economy, the origin may be either indicated or omitted, as prescribed and publicly announced by the Minister of Knowledge Economy. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

(3) Necessary matters concerning the method of indicating the origin of imported goods except those specified in paragraph (1) shall be prescribed and publicly announced by the Minister of Knowledge Economy: *Provided*, That the head of the competent central administrative agency having control of specific imported goods may, if deemed necessary for protecting consumers, prescribe and publicly announced separate details concerning the indication of the origin of such goods, subject to prior consultation with the Minister of Knowledge Economy. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

(4) *Deleted. <by Presidential Decree No. 22419, Oct. 1, 2010>*

(5) When the origin of certain goods is indicated for exportation, the origin shall be indicated in accordance with the method prescribed in each of subparagraphs of paragraph (1), while if any regulations of the country importing the goods require different indication of origin, the origin may be indicated in compliance with such regulations: *Provided*, That the goods imported and re-exported after simple processing activities in the Republic of Korea shall not bear a mark indicating that the Republic of Korea is the origin thereof.

### Article 57 (Confirmation of Method of Indicating Origin)

(1) Anyone who is obligated to indicate the origin of certain goods in accordance with method of indicating the origin provided for in [Article 56](#) may request the Minister of Knowledge Economy in writing to confirm the proper method of indicating the origin of the specific goods before importing the goods in question. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

(2) Anyone who has an objection to the method of indicating the origin confirmed by the Minister of Knowledge Economy pursuant to paragraph (1) may file such objection with the Minister of Knowledge Economy in writing within 30 days from the date on which such confirmation is notified. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

(3) Necessary matters concerning the request for confirmation as to the method of indicating the origin and objection to the confirmation shall be prescribed further and publicly announced by the Minister of Knowledge Economy. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008>*

(4) As regards to importers of goods which shall bear an indication of origin under [Article 33 \(3\) of the Act](#), the Minister of Knowledge Economy may inspect how and whether the origin is indicated in accordance with [Article 56](#) (1) through (3), when such goods are being processed for customs clearance. In such cases, the method, procedure, etc. for the inspection shall be prescribed further and publicly announced by the Minister of Knowledge Economy. *<Amended by Presidential Decree No. 20678, Feb. 29, 2008; Presidential Decree No. 22419, Oct. 1, 2010>*



#### **Article 57-2 (Document Inspections)**

"Related documents specified by Presidential Decree" in [Article 33 \(5\) of the Act](#) means the following documents:

1. Documents concerning information on traders and distributors of imported goods, etc.;
2. Documents concerning prices, quantities, quality, manufacturing or fabricating processes of imported goods, etc.;
3. Other documents deemed necessary by the Minister of Knowledge Economy for verifying whether the indication of origin is violated.

*[This Article Newly Inserted by Presidential Decree No. 22419, Oct. 1, 2010]*

#### **Article 58 (Corrective Measures against Goods in Contravention of Provisions concerning Indication of Origin)**

(1) Corrective measures to be taken pursuant to [Article 33 \(6\) of the Act](#) in detail are as follows: <Amended by Presidential Decree No. 22419, Oct. 1, 2010>

1. Orders to reinstate a mark of origin, or correct, delete, or place the mark of origin;
2. Suspension of transactions or sales of goods in contravention of the provisions concerning the indication of origin.

(2) An order to take any corrective measure pursuant to [Article 33 \(6\) of the Act](#) shall be issued in writing, clearly specifying the following matters: <Amended by Presidential Decree No. 22419, Oct. 1, 2010>

1. Details of contravening activities;
2. Grounds for and details of an order to take a corrective measure;
3. Deadline for such corrective measure to be taken.

#### **Article 59 (Imposition and Payment**