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**ACT ON THE RESOURCE CIRCULATION OF ELECTRICAL AND
ELECTRONIC EQUIPMENT**

[Enforcement Date 23. Jul, 2010.] [Act No.10390, 23. Jul, 2010., Partial
Amendment]

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CHAPTER GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to establish the recycling system for the resources used in electrical, electronic equipments, and vehicles in order to contribute to environmental conservation and national economic growth. This could be undertaken by placing restrictions on the use of hazardous substances, by encouraging their manufacturers to produce easily recyclable products, and facilitating the optimum recycling of wastes.

Article 2 (Definitions)

The definitions of terms used in this Act are as follows: <Amended by Act No. 9931, Jan. 13, 2010>

1. The term “ electrical and electronic equipment ” means machines and apparatuses (including components and parts) operated by electric current or electromagnetic field;
2. The term “ vehicle ” means an automobile (including components and parts) as defined in subparagraph 1 of Article 2 of the Automobile Management Act;
3. The term “ waste electrical and electronic equipment ” means the electrical and electronic equipment identified as waste as defined in subparagraph 1 of Article 2 of the Wastes Control Act;
4. The term “ end - of - life vehicle ” means an automobile retired or scrapped pursuant to subparagraph 5 of Article 2 of the Automobile Management Act;
5. The term “ disposal ” means either interim disposal or terminal disposal under subparagraph 5 of Article 2 of the Wastes Control Act;
6. The term “ recycling ” means reusing waste electrical and electronic equipment or end - of - life vehicles or renewing such wastes or vehicles for reuse, or

converting the condition of such wastes or vehicles into a reusable or recyclable condition;

7. The term “ energy recovery ” means activities of recovering energy, as defined in subparagraph 1 of Article 2 of the Energy Act, in accordance with the standards prescribed by Ordinance of the Ministry of Environment.

Article 3 (Relations with Other Acts)

This Act shall take precedence over other Acts in regard to the promotion of recycling of electrical and electronic equipment and vehicles.

Article 4 (Responsibilities of State and Local Governments)(1) The State shall establish policies on recycling of resources with the aim of promoting the recycling of electrical and electronic equipment and vehicles.

(2) The State shall develop and spread the technologies applicable for inhibiting the use of hazardous substances on electrical and electronic equipment or vehicles, enabling the manufacturer to easily recycle products, and m and wastes thereof.

(3) Every local government shall take measures necessary to facilitate the recycling of waste electrical and electronic equipment and end - of - life vehicles within its jurisdiction in compliance with the State ’ s policies under paragraph (1).

Article 5 (Responsibilities of Business Operators)(1) Every manufacturer or importer of electrical and electronic equipment and every manufacturer or importer of vehicles shall exert efforts to minimize the use of hazardous substances in the manufacturing or importation of equipments or vehicles and cooperate with the State and local governments in the measures promoting the recycling of resources.

(2) Business operators who engage in recycling of waste electrical and electronic equipment and vehicles shall maximize the recovery of resources from them as much as possible.

(3) Business operators who dispose of environmental pollutants in waste electrical and electronic equipment or end - of - life vehicles shall ensure minimal the environmental impact them.

Article 6 (Citizens ’ Responsibility)

Every citizen shall make efforts to discharge waste electrical and electronic equipment or those of vehicles in a proper manner and shall cooperate with the State

and local governments in the measures taken by them in an effort to accomplish the purposes of this Act.

Article 7 (Enhancement of International Cooperation)

The Minister of Environment and the Minister of Knowledge Economy shall make efforts to secure reciprocal recognition between states concerning matters related to the results of analyses of hazardous substances or the rates of recyclability, and shall take measures for international cooperation in order to minimize the use of substances highly harmful to the environment at the stage of manufacturing electrical and electronic equipment and vehicles and promote the recycling of wastes. <Amended by Act No. 8852, Feb. 29, 2008 >

Article 8 Deleted <Feb. 24, 2010 >

CHAPTER RESTRICTIONS ON USE OF HAZARDOUS SUBSTANCES ON ELECTRICAL AND ELECTRONIC EQUIPMENT AND VEHICLES

Article 9 (Hazardous Substances subject to Restrictions on Use and Standards for Contents thereof)

(1) In order to effectively facilitate the recycling of electrical and electronic equipment and vehicles, all manufacturer or importer of electrical and electronic equipment (hereinafter referred to as a “ manufacturer or importer of electrical and electronic equipment ”) specified by law as equipment that produce large amounts of wastes after use and all manufacturer or importer of vehicles (hereinafter referred to as a “ manufacturer or importer of vehicles ”), shall comply with the standards for contents of hazardous substances (hereinafter referred to as “ hazardous substances ”) as specified by law at the stage of manufacturing, including heavy metals and non - combustible materials highly harmful to the environment. Provided, that the foregoing shall not apply to products specified by law as impossible to remove the hazardous substances due to the characteristics of the products or that there is no substitute available for the hazardous substance, to products for research and development, and to products for exportation.

(2) The Minister of Environment and the Minister of Knowledge Economy may jointly determine and publicly disclose the analysis method used for the determination of hazardous substances. <Amended by Act No. 8852, Feb. 29, 2008 >

Article 10 (Guidelines for Improvement of Materials and Structure)(1) Every

manufacturer or importer of electrical and electronic equipment shall comply with the guidelines for the improvement of materials and structure, and facilities in recycling, as may be jointly determined and publicly disclosed by the Minister of Environment and the Minister of Knowledge Economy. <Amended by Act No. 8852, Feb. 29, 2008 >

(2) Every manufacturer or importer of vehicles shall attain the annual rates of recyclability prescribed by Presidential Decree by using materials that are easily recycled, by simplifying materials used, by indication of information about materials, by introducing improvements in the ease of separation and dismantle of materials, and by other activities for improvement of materials and structure.

(3) The Minister of Environment and the Minister of Knowledge Economy may provide recommendations to a manufacturer or an importer of electrical and electronic equipment, if the manufacturer or importer violates any provision of the guidelines under paragraph (1).<Amended by Act No. 8852, Feb. 29, 2008 >

(4) The Minister of Environment and the Minister of Knowledge Economy may jointly determine and publicly disclose the assessment method of rates of recyclability.<Amended by Act No. 8852, Feb. 29, 2008 >

Article 11 (Public Disclosure of Compliance with Restrictions on Use of Hazardous Substances)

Every manufacturer or importer of electrical and electronic equipment and every manufacturer or importer of vehicles shall conduct a direct examination or assessment to ensure compliance with the standards for contents of hazardous substances under Article 9 (1) or the annual rates of recyclability under Article 10 (2), and shall disclose the results thereof to the public, as prescribed by Presidential Decree.

Article 12 (Furnishing Information on Recycling and Proposals for Improvement of Materials and Structure)(1) When a manufacturer or importer of electrical and

electronic equipment or a manufacturer or importer of vehicles is demanded by a person permitted to engage in recycling of wastes under the provisions of Article 25 (5) 5 to 7 of the Wastes Control Act; a reported waste recycler under Article 46 of the same Act or a person specified by Presidential Decree as qualified to carry out efficient recycling works (hereinafter referred to as a “ recycler ”); or an

automotive dismantler under Article 25 (1) 2 or a person who engages in recycling end - of - life vehicles as defined in any subparagraph of Article 32 (2) (hereinafter referred to as an “ end - of - life vehicle recycler ”) to furnish him/her with information about the composition of materials or the appropriate recycling method (hereinafter referred to as “ information on recycling ”) in order to promote the recycling of waste electrical and electronic equipment or end - of - life vehicles, the manufacturer or importer shall furnish him/her with such information on recycling to the extent that neither constitutes leakage of core technical information nor undermines the protection of trade secrets, as prescribed by Presidential Decree: Provided, That it shall be deemed that such information on recycling has been furnished when the manufacturer or importer has furnished such information through a recycling information network as a member of the network, which shall be designated and publicly notified by the Minister of Environment after consultation with the Minister of Knowledge Economy. <Amended, Feb. 29, 2008, Jul. 23, 2010>

(2) Any recycler or end - of - life vehicle recycler may present to the Minister of Environment or the Minister of Knowledge Economy a proposal on the improvement of materials or structure of any product, which might be helpful for recycling waste electrical and electronic equipment or end - of - life vehicles economically while conserving the environment at the same time. <Amended, Feb. 29, 2008>

(3) The Minister of Environment or the Minister of Knowledge Economy shall, upon receiving the proposal under paragraph (2), assess the safety and other characteristics of the product, economic efficiency, or feasibility in light of the domestic technical level, etc. and shall decide whether to adopt the proposal, subject to deliberation by the Central Environmental Preservation Advisory Committee under Article 37 (1) of the Framework Act on Environmental Policy. If such proposal is adopted, the proposed improvement may be recommended to the manufacturer or importer of the electrical and electronic equipment concerned or the manufacturer or importer of the vehicle concerned. <Amended, Feb. 29, 2008, Feb. 4, 2010>

Article 13 (Reporting on Compliance with Recommendations for Promotion of Recycling)

The Minister of Environment or the Minister of Knowledge Economy may require the manufacturer or importer of electrical and electronic products or the manufacturer or

importer of vehicles, to whom a recommendation has been given pursuant to Article 10 (3) or 12 (3), to report as to whether he/she has followed the recommendation.

<Amended by Act No. 8852, Feb. 29, 2008 >

Article 14 (Efforts to Secure Safety and Durability by Improvement of Materials and

Structure)(1) Every manufacturer or importer of electrical and electronic equipment and every manufacturer or importer of vehicles shall, when he/she intends to make improvements on materials or structure of his/her products, make efforts to make the products safe and durable so that such improvement of materials or structure shall not cause any injury to users of the products.

(2) Every manufacturer or importer of electrical and electronic equipment, every manufacturer or importer of vehicles, every waste recycler of such equipment, and every end - of - life vehicle recycler shall make efforts to reduce the content of hazardous substances in recycled products when the wastes from such products and vehicles are processed into a recyclable state and make recycling of such products and vehicles easier.

**CHAPTER RECYCLING OF WASTE ELECTRICAL AND ELECTRONIC
EQUIPMENT AND end - of - life VEHICLES**

SECTION 1 ELECTRICAL WASTE AND ELECTRONIC EQUIPMENT

Article 15 (Duty of Manufacturers or Importers to Recycle)(1) Every manufacturer or importer of electrical and electronic equipment or every person commissioned to carry out recycling works as agent, in conducting the recycling of materials, shall comply with the methods and guidelines for recycling, as prescribed for each product by Ordinance of the Ministry of Environment.

(2) Any manufacturer or importer of electrical and electronic equipment, in the performance of its recycling duties under paragraph (1), may chose to collect its own product wastes, or commission a recycler, or join a mutual aid association engaged in the recycling business under Article 21 (hereinafter referred to as a “ mutual aid association ”).

Article 16 (Rate and Quantity of Mandatory Recycling, etc.)(1) The Minister of Environment shall determine and publicly notify the ratio of mandatory recycling

quantity with regard to the quantity of each electrical and electronic equipment released to the market each year (hereinafter referred to as “ mandatory recycling rate ”), as determined pursuant to the main sentence of Article 9 (1), considering the following factors:

1. The quantity of electrical and electronic equipment released to the market by manufacturers or importers of electrical and electronic equipment;
2. The quantity of waste electrical and electronic equipment collected through the separate collection system [including the quantity of recyclable resources collected through the separate collection system, as publicly announced by the Special Metropolitan City Mayor, each Metropolitan City Mayor, each Do governor, or the governor of the Special Self - Governing Province (hereinafter referred to as the “ Mayor/Do governor ”) pursuant to Article 13 (2) of the Act on the Promotion of Saving and Recycling of Resources];
3. The actual performance of recycling of waste electrical and electronic equipment and the size of recycling facilities; and
4. Other conditions for separate collection and the conditions for recycling, including the current status of development of recycling technology.

(2) The Minister of Environment shall, whenever he/she intends to determine the mandatory recycling rate, refer the case in advance to the Central Environmental Preservation Advisory Committee under Article 37 (1) of the Framework Act on Environmental Policy for deliberation. <Amended, Feb. 24, 2010 >

(3) The guidelines for determining the quantity of electrical and electronic equipment that each manufacturer or importer shall recycle in accordance with the mandatory recycling rate (hereinafter referred to as “ mandatory recycling quantity ”) shall be prescribed by Presidential Decree, considering the quantity of the products released to the market.

Article 17 (Submission of Plans for Observance of Mandatory Recycling)(1) Each manufacturer or importer of electrical and electronic equipment (excluding those who join a mutual aid association) shall submit a plan for performance of mandatory recycling to the Minister of Environment for approval, as prescribed by Presidential Decree.

(2) A person, whose plan for performance of mandatory recycling has been approved pursuant to paragraph (1), shall submit a performance report to the Minister of Environment, as prescribed by Presidential Decree.

Article 18 (Imposition and Collection of Recycling Charges on Electrical and Electronic Equipment)

(1) If any manufacturer or importer of electrical and electronic equipment fails to perform its duty of mandatory recycling under Article 15, or in case it is a mutual aid association which fails to perform this duty, the Minister of Environment shall charge the expenses for recycling of their waste, which does not form part of the mandatory recycling quantity, plus an amount calculated in accordance with the guidelines prescribed by Presidential Decree within the limit of 30/100 of such expenses (hereinafter referred to as “ recycling charge for electrical and electronic equipment ”).

(2) The guidelines on the charging of expenses incurred in recycling the waste of electrical and electronic equipment under paragraph (1) and the time and procedure for the payment thereof shall be prescribed by Presidential Decree.

(3) The Minister of Environment shall, if any person fails to pay the recycling charge for electrical and electronic equipment within the term of payment, demand the person to pay the charge within a given period of time, which should be at least thirty days. In case there is delay in payment, an additional charge at the rate of 5/100 of the overdue recycling charge for electrical and electronic equipment (hereinafter referred to as “ surcharge ”) shall be imposed upon such person.

(4) If a person fails to pay the recycling charge for electrical and electronic equipment and the surcharge within the given period, after having received a demand note under paragraph (3), such charge and surcharge shall be collected in accordance with the procedure for collection against default in national taxes.

(5) The recycling charge for electrical and electronic equipment (including the surcharge; hereinafter the same shall apply) shall be booked as revenue in the special account for environmental improvement under the Act on Special Accounts for Environmental Improvement.

(6) The Minister of Environment may, when he/she entrusts the Korea Environmental Management Corporation under the Korea Environmental Management Corporation Act (hereinafter referred to as the “ Corporation ”) or any other

specialized institution concerned with the affairs related to the collection of the recycling charge for electrical and electronic equipment pursuant to Article 42 (2), pay part of the collected amount of such recycling charge as the expenses for such collection as prescribed by Presidential Decree. <Amended by Act No. 9433, Feb. 6, 2009>

Article 19 (Use of Recycling Charge on Electrical and Electronic Equipment)

Recycling charges on electrical and electronic equipment shall be spent for the following purposes:

1. Granting aid to projects for recycling of wastes (referring to the wastes defined in subparagraph 1 of Article 2 of the Wastes Control Act; hereinafter the same shall apply) or to facilities installed for waste disposal;
2. Research and development of technology for efficient recycling of materials or reduction of wastes;
3. Granting aid to local governments in its collection, recycling, and disposal of wastes;
4. Purchasing and stockpiling of recyclable resources;
5. Granting aid to projects that facilitate recycling of resources;
6. Paying the expenses incurred in the collection of recycling charges on electrical and electronic equipment.

Article 20 (Duty of Distributors of Electrical and Electronic Equipment to Collect Back)

(1) Every distributor of electrical and electronic equipment specified in accordance with the main sentence of Article 9 (1) (hereafter referred to as a “ distributor ” in this Article) shall collect, without consideration, the product identified as identical in type as the new product being delivered to a purchaser and which is to be removed and disposed of as waste (including those supplied by any other manufacturer or importer, as long as they are of the same type) along with the packing materials of the new product. Provided, that the foregoing shall not apply if the purchaser does not want such product disposed of as waste.

(2) Each distributor shall carry and deliver the collected waste of electrical and electronic equipment to the waste depots installed in each district by their manufacturer or importer of electrical and electronic equipment or a mutual aid association and reuse the wastes for his/her own purpose or commission a recycler to recycle them.

(3) A distributor who reuses collected waste electrical and electronic equipment for his/her own purpose or commissions a recycler to recycle them, in accordance with paragraph (2), shall disclose the following matters to the manufacturer or importer of electrical and electronic equipment or the mutual aid association concerned, as prescribed by Ordinance of the Ministry of Environment:

1. The type and quantity of the waste electrical and electronic equipment collected;
2. The trade name and address of the commissioned recycler and the name of its representative (applicable only in case where the recycling is commissioned to a recycler).

(4) Every manufacturer or importer of electrical and electronic equipment, or a mutual aid association shall designate the wastes depot under paragraph (2) and shall notify distributors of the designated depot.

(5) Matters concerning the standards for classification of products of an identical type under paragraph (1) shall be prescribed by Ordinance of the Ministry of Environment.

Article 21 (Establishment of Mutual Aid Association for Recycling Business)(1) In order to perform the duty of recycling under Article 15, manufacturers or importers of electrical and electronic equipment may establish a mutual aid association for recycling business, which shall perform recycling of electrical and electronic equipment.

(2) The mutual aid association shall be a legal entity.

(3) The mutual aid association shall be duly formed upon completion of the registration of its incorporation with the registry office having jurisdiction over its principal place of business.

Article 22 (Authorization of Mutual Aid Association)(1) Persons who intend to establish a mutual aid association shall file an application for authorization with the Minister of Environment, stating the following matters:

1. Articles of association of the legal entity (which shall contain provisions concerning purposes, scope of business, membership, allotted contributions, and other matters relating to management of the association);
2. A business plan to perform as an agency of mandatory recycling;

3. Agreements on participation signed by manufacturers or importers of electrical and electronic equipment, who join the mutual aid association;

4. The quantity of mandatory recycling allotted to each member; 5. Details of its own recycling facilities (applicable only to associations that own recycling facilities).

(2) The Minister of Environment shall, whenever he/she grants an authorization pursuant to paragraph (1), issue public notice thereof.

(3) Whenever a person who has obtained an authorization on the mutual aid association concerned intends to amend any provision of the Articles of association or any matter specified by Ordinance of the Ministry of Environment, he/she shall obtain an approval for such amendment.

Article 23 (Allotted Contributions)(1) Manufacturers or importers of electrical and electronic equipment shall, when they join a mutual aid association, pay their respective allotted contribution, based on the expenses incurred in recycling of waste electrical and electronic equipment under Article 18 (2).

(2) The guidelines for calculation of allotted contributions payable to an association under paragraph (1) and the procedure for payment of such contributions shall be stipulated by the Articles of association. (3) Articles 15 (1) and 17 shall apply mutatis mutandis to cases where a mutual aid association performs mandatory recycling as agent.

Article 24 (Mutatis Mutandis Application of Civil Act)

Except as provided for otherwise by this Act, the provisions relevant to incorporated associations in the Civil Act shall apply mutatis mutandis to mutual aid associations.

SECTION 2 end - of - life VEHICLES

Article 25 (Observance of Recycling Rate of end - of - life vehicles)(1) The following persons shall observe the recycling rate prescribed by Presidential Decree (hereinafter referred to as “ recycling rate ”), when they dispose of the vehicles specified in the main sentence of Article 9 (1):

1. Manufacturers or importers of vehicles;

2. Persons who run a business of dismantling vehicles as defined in subparagraph 9 of Article 2 of the Automobile Management Act (hereinafter referred to as

“ automotive dismantlers ”);

3. Persons who run a business of recycling vehicle scraps as defined in Article 32 (2) 1 (hereinafter referred to as “ vehicle scrap recyclers ”);

4. Persons who run a business of recycling residual scraps as defined in Article 32 (2) 2 (hereinafter referred to as “ residual scrap recyclers ”);

5. Persons who run a business of disposing of waste gas as defined in Article 32 (2) 3 (hereinafter referred to as “ waste gas disposers ”).

(2) Persons who fall under any subparagraph of paragraph (1) shall perform their obligations as stated in the following subparagraphs so as to attain the recycling rate:

1. Every manufacturer or importer of vehicles shall develop technologies applicable to recycling of end - of - life vehicles, and shall also provide technical assistance to automotive dismantlers, vehicle scrap recyclers, etc.;

2. Every automotive dismantler shall ensure to recycle resources from end - of - life vehicles as much as possible, and shall transfer the residues of end - of - life vehicles, after collecting recyclable resources, to vehicle scrap recyclers for further recycling. In this instance, every automotive dismantler shall make sure that the transferred scraps do not contain any wastes other than those generated from end - of - life vehicles;

3. Every vehicle scrap recycler shall dismantle the residues of end - of - life vehicles transferred pursuant to subparagraph 2 above and collect metals or similar materials from them as much as possible, and thereafter transfer the recyclable residual scraps to residual scrap recyclers for further recycling;

4. Every residual scrap recycler shall collect metals or recover energy from residual scraps as much as possible;

5. Every gas waste disposer shall treat gases that contain substances that may induce any change in climate or ecosystem, as defined in subparagraph 1 - 2 of Article 2 of the Clean Air Conservation Act (hereinafter referred to as “ substances affecting climate/ecosystem ”), for recycling or dispose of them for public safety.

(3) If the total costs for the disposal of a vehicle (hereinafter referred to as “ expenses for disposal and recycling of end - of - life vehicles ”) that shall be scrapped under Article 65 (2) of the Automobile Management Act, including disposal of substances that induce climate change and the expenses used for recycling of

residual scraps therefrom (excluding residual scraps generated from scrapped imported vehicles) exceeds the price of the vehicle subject to scrapping (hereinafter referred to as “ price of end - of - life vehicles ”), the manufacturer or importer of the vehicle concerned shall collect the vehicle, without consideration, from the person who requests scrapping of the vehicle under a contract or a similar agreement made with the automotive dismantler, vehicle scrap recycler, or residual scrap recycler involved, as prescribed by law. Provided, that the foregoing shall not apply when an automotive dismantler collects such excess amount of expenses for disposal or recycling of the end - of - life vehicle from the owner of the end - of - life vehicle in accordance with the proviso to Article 65 (2) of the Automobile Management Act.

(4) Every manufacturer or importer of vehicles shall, whenever he/she scraps a vehicle collected without consideration in accordance with paragraph (3) above from a person who wants it scrapped, observe the recycling rate applicable to the collected vehicle.

Article 26 (Recycling Method of end - of - life Vehicles)

The persons who fall under any subparagraph of Article 25 (1) shall recycle or make it easier to recycle end - of - life vehicles in accordance with the methods and guidelines for recycling of end - of - life vehicles as prescribed by Presidential Decree.

Article 27 (Separate Storage of Substances Affecting Climate/Ecosystem)(1) Every

automotive dismantler shall store substances that affect climate/ecosystem separately;

(2) Every vehicle scrap recycler shall separately discharge residual scraps generated from end - of - life vehicles after collecting metals.

(3) Substances that affect climate/ecosystem under paragraph (1) above shall be specified by Presidential Decree.

Article 28 (Appropriation for Expenses for Disposal and Recycling of end - of - life Vehicles)

If the price of a end - of - life vehicle exceeds the expenses required for disposal and recycling of the vehicle, the automotive dismantler, vehicle scrap recycler, residual

scrap recycler, and waste gas disposer concerned may deduct the expenses for such disposal and recycling of the vehicle from its price to appropriate the deducted amount for the expenses. In this instance, the automotive dismantler concerned may deduct the expenses required by the vehicle scrap recycler, residual scrap recycler, and waste gas disposer for disposal and recycling from the price of scraps.

- Article 29 (Formation of Business Operators ' Organization)**(1) The persons under subparagraphs of Article 25 (1) may form a business operators ' organization (hereinafter referred to as a " business operators ' organization ") in order to attain recycling rates in carrying out their related business affairs.
- (2) Each business operators ' organization shall be a legal entity.
- (3) Each business operators ' organization shall be duly formed upon completion of the registration of incorporation with the registry office having jurisdiction over its principal place of business.
- (4) Unless otherwise provided for in this Act, the provisions relevant to incorporated associations in the Civil Act shall apply mutatis mutandis to organizations of business operators.

- Article 30 (Procedure for Authorization of Business Operators ' Organizations)**(1) Any person who intends to form a business operators ' organization shall file an application for authorization of incorporation, stating its purposes for incorporation, its scope of business, its Articles of incorporation, and other matters specified by Presidential Decree, with the Minister of Environment, and obtain approval thereof.
- (2) The Minister of Environment shall, when he/she grants an authorization under paragraph (1), issue public notice thereof.
- (3) Whenever a business operators ' organization authorized pursuant to paragraph (1) intends to amend any provision of its Articles of association or any matter specified by Ordinance of the Ministry of Environment, it shall obtain approval for such amendment.

- Article 31 (Report on Recycling of end - of - life Vehicles)**(1) Each automotive dismantler shall submit, to the Minister of Land, Transport and Maritime Affairs, a quarterly report on his/her recycling performance, which shall contain the following details below, as prescribed by Presidential Decree, within 15 days after the end of

each quarter, and the Minister of Land, Transport and Maritime Affairs shall in turn inform the Minister of Environment of such report within three days: <Amended by Act No. 8852, Feb. 29, 2008>

1. The quantity of scrap reused and recycled from end - of - life vehicles;
2. The quantity of scrap transferred to vehicle scrap recyclers or similar;
3. The quantity of substances affecting climate/ecosystem transferred to waste gas disposers.

(2) Each vehicle scrap recycler shall submit to the Minister of Environment a quarterly report on his/her recycling performance, which shall contain the following details, as prescribed by Presidential Decree, within 15 days after the end of each quarter:

1. The quantity of scrap recycled from end - of - life vehicles;
2. The quantity of residual scrap transferred to residual scrap recyclers.

(3) Each residual scrap recycler shall submit to the Minister of Environment, a quarterly report on his/her performance of recycling of residual scrap and energy recovery, as prescribed by Presidential Decree, within 15 days after the end of each quarter.

(4) Each waste gas disposer shall submit to the Minister of Environment, a quarterly report on his/her performance of recycling and disposal of substances affecting climate/ecosystem, as prescribed by Presidential Decree, within 15 days after the end of each quarter.

(5) Each manufacturer or importer of vehicles who recycles scrap of a vehicle collected without consideration from persons, who request scrapping of the vehicle in accordance with Article 25 (3), shall submit to the Minister of Environment, a quarterly report on its recycling and disposal activities, as well as its activities on energy recovery, as prescribed by Presidential Decree, within 15 days after the end of each quarter.

(6) The submission of reports on performance of recycling under paragraphs (1) through (5) may be commissioned to a business operators ' organization.

CHAPTER REGISTRATION OF RECYCLING BUSINESS

Article 32 (Registration of end - of - life Vehicle Recycling Business)(1) A person who intends to engage in a business of recycling residual parts of end - of - life vehicles under Article 25 (2) 2 (hereinafter referred to as an “ end - of - life vehicle recycling business ”) shall have the facilities specified by Ordinance of the Ministry of Environment and complete registration with the Minister of Environment in accordance with the business categorization under paragraph (2). Any change in registered essential details as specified by Presidential Decree shall be registered, while a change in any registered non - essential details shall only be reported.

(2) end - of - life vehicle recycling businesses shall be divided into the following business categories according to business activities as stated below:

1. Scrap recycling business: Dismantling and recycling of residual parts of end - of - life vehicles transferred by automotive dismantlers;
2. Residual scrap recycling business: Recycling of residual scrap transferred by vehicle scrap recyclers and energy recovered therefrom;
3. Waste gas disposal business: Recycling or disposal of substances affecting climate/ecosystem, which have been separately stored by automotive dismantlers.

Article 33 (Disqualifications)

A person who falls under any of the following subparagraphs may not qualify for registration of end - of - life vehicle recycling business. The foregoing shall also apply to a legal entity, if any of its executives falls under any of the following subparagraphs:

1. An incompetent or quasi - incompetent person;
2. A person for whom two years have not passed since imprisonment or any heavier punishment for violation of this Act, has been completely executed or finally and conclusively discharged;
3. A person who has been sentenced to a suspended sentence of imprisonment or any heavier punishment for violation of this Act and who is still within the period of suspension;
4. A person, whose registration of end - of - life vehicle recycling business was previously cancelled, and reapplied for registration in less than two years.

Article 34 (Cancellation of Registration)(1) The Minister of Environment may, if a person who is registered as an end - of - life vehicle recycler under Article 32 (1) falls under any of the following subparagraphs, either cancel the registration or issue an order to suspend his/her business, in whole or in part, for a period of time not exceeding six months:

1. If it is found that he/she has filed for the registration through false or fraudulent means;
2. If he/she falls under any of subparagraphs 1 through 4 of Article 33. Provided, that the foregoing shall not apply in cases where any executive of a legal entity falls under any of the above - stated provisions but a replacement for such executive is appointed within six months;
3. If he/she does not commence the business within two years after registration or has failed to operate the business at least two years without any justifiable reason;
4. If he/she fails to meet the standards for facilities under Article 32 (1);
5. If he/she continues the business even during the business suspension period. Provided, that the registration shall be cancelled without exception if the person falls under subparagraph 1 or 2.

(2) Necessary matters concerning the guidelines for administrative dispositions under paragraph (1) shall be prescribed by Ordinance of the Ministry of Environment.

Article 35 (Succession to Status of end - of - life Vehicle Recycler)(1) In cases where an end - of - life vehicle recycler transfers his/her business to a third party, dies, or has merged with another legal entity, the transferee, heir, or the legal entity surviving after or newly established upon such merger shall succeed to the status as business operator of the end - of - life vehicle recycler.

(2) Any person who acquires all of the business facilities and equipment of a business operator of the end - of - life vehicle recycler, through auction under the Civil Execution Act, under the Debtor Rehabilitation and Bankruptcy Act, from sale of seized asset under the National Tax Collection Act, the Customs Act, or the Local Tax Act, or any other similar procedure, shall succeed to the status of the business operator of the end - of - life vehicle recycler. In this case, the registration of the preceding business operator shall become ineffective.

(3) In cases where a person succeeds to the status of a business operator in accordance with paragraph (1), the effects of an administrative disposition made against the preceding end - of - life vehicle recycler on account of a violation of any subparagraph of Article 34 (1) shall be effective for one year after the lapse of the period during which such preceding recycler is subject to the disposition of business suspension and thus shall be transferred to the transferee or the legal entity surviving after or newly established upon a merger, while in cases where proceedings for administrative disposition are pending, such proceedings may be continued against the transferee or the legal entity surviving after or newly established upon such merger: Provided, That the effects of such disposition shall not be transferred or proceeding for such disposition shall not be continued, if the transferee or the legal entity surviving after or newly established upon a merger, proves that he/she/it was unaware that the disposition or violation at the time when the business was transferred or merged.

(4) A person who succeeds to the status of an end - of - life vehicle recycler in accordance with paragraph (1) or (2) shall file a report with the Minister of Environment within one month, as prescribed by Ordinance of the Ministry of Environment.

CHAPTER SUPPLEMENTARY PROVISIONS

Article 36 (Keeping and Preservation of Account Books)

A person who falls under any of the following subparagraphs shall keep, maintain, and preserve account books as prescribed by Presidential Decree. Provided, that the data transmitted electronically to the operation management information system under Article 38 shall be deemed to be account books properly kept and preserved:

1. A manufacturer or an importer of electrical and electronic equipment or a manufacturer or an importer of vehicles under Article 9 (1);
2. A recycler of electrical waste and electronic equipment under Article 12 (1);
3. A distributor of electrical and electronic equipment under Article 20 (1);
4. A mutual aid association for recycling of electrical and electronic equipment under Article 21 (1);

5. An automotive dismantler, a vehicle scrap recycler, a residual scrap recycler, or a waste gas disposer under Article 25 (1);
6. A business operators ' organization under Article 30 (1);
7. A person who transports electrical waste and electronic equipment or end - of - life vehicles under Article 39.

Article 37 (Report and Inspection)(1) The Minister of Environment, the Minister of Knowledge Economy (in cases where a manufacturer or an importer of electrical and electronic equipment under Article 9 (1) or a manufacturer or an importer of vehicles is involved), or the Minister of Land, Transport and Maritime Affairs (in cases where an automotive dismantler under Article 25 (1) 2 is involved) may require a person who falls under any subparagraph of Article 36, to submit a report or informative materials to the extent necessary for enforcement of this Act, or may assign public officials concerned to enter such person ' s facilities, office, or place of business to inspect relevant documents, facilities, equipment, or the like. <Amended by Act No. 8852, Feb. 29, 2008 >

(2) When an inspection is scheduled pursuant to paragraph (1), the inspection plan, which shall include the date, time, purposes and scope of such inspection, shall be notified to the business operator subject to the inspection at least seven days prior to the planned inspection. Provided, that the foregoing shall not apply in cases where an urgent inspection is required or where it is considered impossible to achieve the objectives of the inspection because of anticipated destruction of evidence if a prior notice is given.

(3) The public officials who act as inspectors under paragraph (1) shall carry an identification card indicating their authority and present it to the relevant persons.

Article 38 (Establishment and Operation of Business Management Information System)

(1) The Minister of Environment may establish and operate such operation management information system as is necessary for the management of the affairs specified by Presidential Decree, such as the management of information about performance of obligations owed by manufacturers or importers of electrical and electronic equipment or manufacturers or importers of vehicles and transfers of electrical waste and electronic equipment or end - of - life vehicles (hereinafter referred to as “ operation management information system ”).

(2) The Minister of Environment may, when he/she considers it necessary, commission the Corporation or any other competent specialized institution in his/her stead to conduct business affairs relating to the establishment and operation of the operation management information system. <Amended by Act No. 9433, Feb. 6, 2009>

(3) The Minister of Environment may, when he/she commissions business affairs, in his/her stead, under paragraph (2) above, subsidize the expenses incurred in the execution of business affairs.

Article 39 (Duty of Transporters or Recyclers to Prepare and Submit Control Records)

Every person who transports or recycles electrical waste and electronic equipment or end-of-life vehicles shall prepare and submit control records containing information about the transfer of such wastes or scrap (hereinafter referred to as “control records”) in compliance with the guidelines publicly disclosed by the Minister of Environment, subject to prior consultation with the Minister of Land, Transport and Maritime Affairs. Provided, that such information about transfers of such wastes or scrap transmitted electronically to the operation management information system shall be deemed the proper preparation and submission of control records. <Amended by Act No. 8852, Feb. 29, 2008>

Article 40 (Cooperation of Institutions Concerned)

The Minister of Environment, the Minister of Knowledge Economy, or the Minister of Land, Transport and Maritime Affairs may, if necessary for accomplishing the purposes of this Act, request the head of an administrative agency to furnish him/her with informative materials relevant to the establishment of policies on recycling of waste electrical and electronic equipment or end-of-life vehicles. In this case, the head of the administrative agency so requested shall comply with such request, unless extraordinary circumstances exist which prevents him/her from doing so. <Amended by Act No. 8852, Feb. 29, 2008>

Article 41 (Hearing)

The Minister of Environment shall hold a hearing whenever he/she intends to cancel registration pursuant to Article 34 (1).

Article 42 (Delegation and Entrustment of Authority)(1) The authority of the Minister of Environment, the Minister of Knowledge Economy, or the Minister of Land,

Transport and Maritime Affairs under this Act may be delegated in part, to the heads of regional environmental offices or Mayors/Do governors, as prescribed by Presidential Decree. <Amended by Act No. 8852, Feb. 29, 2008 >

(2) The Minister of Environment, the Minister of Knowledge Economy, or the Minister of Land, Transport and Maritime Affairs may entrust the Corporation or any other competent specialized institution with part of his/her business affairs under this Act, as prescribed by Presidential Decree.<Amended by Act No. 8852, Feb. 29, 2008; Act No. 9433, Feb. 6, 2009 >

CHAPTER PENAL PROVISIONS

Article 43 (Penal Provisions)

Any person who submits a false report or material or refuses, interferes with, or evades access or an inspection, in violation of Article 37 shall be punished by imprisonment for one year or less or by a fine not exceeding ten million won.

Article 44 (Joint Penal Provisions)

If the representative of a legal entity or an agent, an employee, or any other servant of a legal entity or an individual commits an offense under Article 43 in connection with the business of the legal entity or the individual, not only shall such offender be punished accordingly, but the legal entity or the individual shall be punished by a fine under the said Article: Provided, That the same shall not apply to cases where the legal entity or the individual has not neglected to exercise due care or to adequately supervise the relevant tasks so as to prevent such violations.

[This Article Wholly Amended, July. 23, 2010]

Article 45 (Fines for Negligence)(1) Any person who distributes a product containing any hazardous substance in excess of the standards for hazardous substance content, in violation of Article 9 (1) of this Act, shall be punished by a fine for negligence not exceeding thirty million won.

(2) Any person who falls under any of the following subparagraphs shall be punished by a fine not exceeding twenty million won:

1. Any person who fails to observe the rate of recyclability in violation of Article 10
- (2) in distributing a product;

2. Any person who fails to collect wastes without consideration in violation of Article 25 (3);
3. Any person who fails to observe the recycling rate in violation of Article 25 (4);
4. Any person who fails to carry out recycling works in accordance with the method and guidelines for recycling in violation of Article 26;
5. Any person who runs an end - of - life vehicle recycling business without registration in violation of Article 32 (1);
6. Any person who continues his/her business during the business suspension period under Article 34 (1).

(3) Any person who falls under any of the following subparagraphs shall be punished by a fine for negligence not exceeding ten million won:

1. Any person who distributes a product without checking restrictions on the use of hazardous substances or assessing the rate of recyclability in violation of Article 11 (excluding those who fall under paragraph (1) or (2) 1);
2. Any person who fails to provide information on recycling in violation of Article 12 (1);
3. Any person who fails to separately store substances affecting climate/ecosystem in violation of Article 27 (1);
4. Any person who fails to separately discharge scrap residues in violation of Article 27 (2).

(4) Any person who falls under any of the following subparagraphs shall be punished by a fine for negligence not exceeding three million won:

1. Any person who fails to perform his/her duty to collect as a distributor in accordance with Article 20 (1);
2. Any person who fails to file a report on succession in violation of Article 35 (4).

(5) Any person who falls under any of the following subparagraphs shall be punished by a fine for negligence not exceeding one million won:

1. Any person who omits to disclose whether restrictions on the use of hazardous substances or the rate of recyclability is complied with or discloses untrue information, in violation of Article 11;
2. Any person who fails to file a report in violation of Article 13;
3. Any person who fails to submit a plan for performance of mandatory recycling or a report on performance of mandatory recycling under Article 17 (including the

cases to which the said Article shall apply mutatis mutandis pursuant to Article 23 (3));

4. Any person who fails to notify the kinds and quantity of wastes reused by him/her or recycled by a recycler commissioned by him/her and the trade name, address, and the representative ' s name of such commissioned recycler, in violation of Article 20 (3);
5. Any person who fails to designate a wastes depot or fails to notify distributors of the wastes depot in violation of Article 20 (4);
6. Any person who fails to submit a report on performed recycling or a report on performance of recycling, energy recovery, and disposal in violation of any provision of Article 31 (1) through (5);
7. Any person who fails to keep, maintain, and preserve account books in violation of Article 36 or enters a false entry in account books;
8. Any person who fails to submit a report or an informative material in violation of Article 37;
9. Any person who fails to prepare and submit control records in violation of Article 39.

Article 46 (Imposition and Collection of Fines for Negligence)

Fines for negligence under Article 45 shall be imposed and collected by the Minister of Environment, the Minister of Knowledge Economy, or the Minister of Land, Transport and Maritime Affairs, as prescribed by Presidential Decree.

[This Article Wholly Amended, July. 23, 2010]

ADDENDA <No. 10390, 23. Jul, 2010 >

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