

# **Act for Resource Recycling of Electrical and Electronic Equipment and Vehicles**

*English Translation*

by

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This translation is done on the basis of the Act for Resource Recycling of Electrical and electronic equipment and Vehicles which was passed on 2 April 2007 in the Second Reading of the National Assembly of Korea.

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# Act for Resource Recycling of Electrical and Electronic Equipment and Vehicles

(Bill Nr. 6319 of 30 March 2007 (Proposed by the Environment and Labor Committee of the National Assembly of Korea, and, on 2 April 2007, adopted in the Section Reading of the National Assembly of Korea)

## TITLE 1. GENERAL PROVISIONS

### Article 1 (Purpose)

For the promotion of recycling of, design for the environment of and restriction of hazardous substances in electrical and electronic equipment and vehicles and appropriate treatment of their waste, this Act is to contribute to the preservation of the environment and healthy development of national economy through the establishment of a resource reduction, reuse and recycling system for efficient use of resources.

### Article 2 (Definition)

The terms used in this Act are defined as follows:

1. "Electrical and Electronic Equipment" (전기전자제품) means equipment or device (including components and parts thereto) operated by electric currents or electromagnetic fields.
2. "Vehicle" (자동차) means an vehicle (including components and parts thereto) as provided in Article 2, Section 1 of the Automobile Management Act.
3. "Waste Electrical and Electronic Equipment" (폐전기전자제품) means electrical and electronic equipment which is classified as waste in accordance with Article 2, Section 1 of the Waste Management Act.
4. "End-of-Life Vehicle" (폐자동차) means a vehicle which is classified as waste in accordance with Article 2, Section 5 of the Automobile Management Act.
5. "Treatment" (처리) means intermediate treatment and final disposal in accordance with Article 2, Section 5 of the Waste Management Act.
6. "Recycling" (재활용) means reuse or recovery of waste electrical and electronic equipment and end-of-life vehicles, or activities converting waste electrical and electronic equipment and end-of-life vehicles in reusable and recyclable condition.

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7. "Energy Recovery" (에너지 회수) means any activity of recovering energy stipulated in of Article 2, Section 1 of the Energy Framework Act in line with a Ministry of the Environment Ordinance.

#### Article 3 (Prevailing Provision over Other Acts)

On the matters for the promotion of recycling of electrical and electronic equipment and vehicles, this Act prevails other Acts.

#### Article 4 (General Duties of Central and Local Authorities)

① The Central Authority shall provide a resource saving policy to promote recycling of electrical and electronic equipment and vehicles

② The Central Authority shall develop and supply appropriate technologies for the reduction of the use of hazardous substances from and to recycle waste generated from electrical and electronic equipment and vehicles;

③ Local Authorities shall take appropriate measures to promote recycling of waste generated from waste electrical and electronic equipment and end-of-life vehicles within their jurisdiction in accordance with a resource saving policy of the Central Authority as provided in Paragraph 1 of this Article.

#### Article 5 (General Duties of Industries)

① Producers or importers of electrical and electronic equipment or vehicles shall make efforts to facilitate the recycling of waste by reducing the use of hazardous substances therefrom, to design in an easily recyclable structure (or import environmentally-friendly products) and shall cooperate with measures taken by the Central and/or local Authorities.

② Any operator who recycles waste electrical and electronic equipment or end-of-life vehicles shall save resources through the recovery of recyclable resources and use recyclable resources in an efficient manner.

③ Any operator who treats or disposes of environmental pollutants from waste electrical and electronic equipment or end-of-life vehicles shall minimize adverse impacts on the environment.

#### Article 6 (General Duties of the Public)

The public shall cooperate with measures taken by the Central or local Authorities in order to achieve the purpose of this Act, by means of appropriate segregation and discharge of waste electrical and electronic equipment and end-of-life vehicles.

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Article 7 (Promotion of International Cooperation)

The Ministry of the Environment and the Ministry of Commerce, Industry and Energy shall take appropriate measures for international cooperation so as to reduce the use of hazardous substances in manufacturing processes of, test results of hazardous substances in, and assessment results on the recyclability of electrical and electronic equipment and vehicles through mutual recognition between/among countries.

Article 8 (Eco-Assurance Review Committee)

① The Ministry of the Environment may organize and operate the Eco-Assurance Review Committee (제품환경성재활용심의위원회) which reviews and advises the following matters so as to promote recycling of electrical and electronic equipment and vehicles (hereinafter, Committee).

1. Issues on electrical and electronic equipment or vehicles which are subject to the restriction on the use of hazardous substances under Article 9, Paragraph 1
2. Issues on the determination of hazardous substances to be restricted and the concentration limits of hazardous substances under Article 9, Paragraph 1
3. Issues on technical guidance for the improvement of material and structure of electrical and electronic equipment under Article 10, Paragraph 1
4. Issues on the determination of an annual recycling rate for vehicles under Article 10, Paragraph 2
5. Issues on the improvement proposals of material and structures of electrical and electronic equipment or vehicles under Article 12, Paragraph 3
6. Issues on mandatory recycling rates of electrical and electronic equipment under Article 16, Paragraph 1 or the determination of recycling rates for vehicles under Article 25, Paragraph 1
7. Other issues for the promotion of recycling to be provided by the Presidential Decree.

② The composition and operation of the Committee, which is provided in Paragraph 1 of this Article, shall be determined by the Presidential Decree.

**TITLE 2. RESTRICTION ON THE USE OF HAZARDOUS SUBSTANCES IN ELECTRICAL AND ELECTRONIC EQUIPMENT AND VEHICLES**

Article 9 (Restriction on the Use of Hazardous Substances and Concentration Limits)

① Among electrical and electronic equipment or vehicles which generates high volume of waste after use, any person who manufactures or imports electrical and electronic equipment prescribed by the Presidential Decree (hereinafter, producers or importers of

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electrical and electronic equipment) and who manufactures or imports vehicles prescribed by the Presidential Decree (hereinafter, manufacturers or importers of vehicles) shall comply with the concentration limits of such hazardous substances as heavy metals and flame retardants, which are stipulated by the Presidential Decree and have high potential of environmental pollution, so as to promote recycling of electrical and electronic equipment and vehicles. Provided that this shall not be applicable in cases that the elimination of hazardous substance is extremely difficult due to special characteristic of products concerned or there is no substitute, as prescribed by the Presidential Decree, and in cases of research and development or export of products.

② The Ministry of the Environment and the Ministry of Commerce, Industry and Energy may jointly determine and publish the Analysis Methods of Hazardous Substances.

Article 10 (Technical Guidance on the Improvement of Materials and Structure)

① Producers and importers of electrical and electronic equipment shall comply with Technical Guidance on the improvement of materials and structure jointly determined and published by the Ministry of the Environment and the Ministry of Commerce, Industry and Energy for efficient recycling.

② Producers and importers of vehicles shall comply with an annual recycling rate prescribed by the Presidential Decree through measures such as the use of easily recyclable materials, simplification of materials, marking of material information and easy disassembly and dismantling.

③ In case when any violation is found, the Ministry of the Environment and the Ministry of Commerce, Industry and Energy may order producers and importers of electrical and electronic equipment to comply with Technical Guidance prescribed in Paragraph 1.

④ The Ministry of the Environment and the Ministry of Commerce, Industry and Energy may jointly determine and publish Evaluation Methods of Recyclability.

Article 11 (Declaration of Compliance with the Restriction of the Use of Hazardous Substances)

Producers and importers of electrical and electronic equipment and vehicles shall make self-declaration on their compliance with the concentration limits of hazardous substances under Article 9, Paragraph 1 or an annual recycling rate of vehicle under Article 10, Paragraph 2 in a manner prescribed by the Presidential Decree.

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Article 12 (Provision of Recycling Information and Improvement Proposal on Materials/Structure, Etc)

① When a waste recycler (폐기물재활용신고자) as defined in Article 44-2 of the Waste Management Act or a waste recycling entity determined by the Presidential Decree (hereinafter, “recyclers” – 재활용사업자), an entity dismantling end-of-life vehicles (자동차폐차업자) as defined in Article 25, Paragraph 1, Section 2 or an entity recycling end-of-life vehicles as defined in Article 32, Paragraph 2 (hereinafter, end-of-life vehicle recyclers – 폐자동차재활용업자) requires information on composition materials or recycling methods (hereinafter, recycling information) for promoting recycling of waste electrical and electronic equipment or end-of-life vehicles, the producers and importers of electrical and electronic equipment or vehicles shall provide recycling information as prescribed by the Presidential Decree to the extent confidential business information is not disclosed. Provided that when recycling information is supplied to the Recycling Information Network (재활용정보제공통신망) designated and published by the Ministry of the Environment in consultation with the Ministry of Commerce, Industry and Energy, it deems that recycling information is provided to waste recyclers.

② Waste recyclers or end-of-life vehicle recyclers may propose measures to the Ministry of the Environment or the Ministry of Commerce, Industry and Energy for the improvement of materials and structure of products for more efficient and environmentally-friendly recycling of waste electrical and electronic equipment and end-of-life vehicles.

③ Upon the receipt of any improvement proposal from waste recyclers under Paragraph 2, the Ministry of the Environment and the Ministry of Commerce, Industry and Energy shall review feasibility of the proposal in consideration of product safety, economic benefits and domestic technological condition and, through the review of the Committee, determine adoption of the proposal. When a proposal is adopted, the Ministry of the Environment and the Ministry of Commerce, Industry and Energy may order producers and importers of electrical and electronic equipment and vehicles to comply with the adopted proposal.

Article 13 (Reporting on the Implementation of Order for the Promotion of Recycling)

The Ministry of the Environment and the Ministry of Commerce, Industry and Energy may require producers and/or importers of electrical and electronic equipment and vehicles, who have been received an order under Article 10, Paragraph 3 or Article 12, Paragraph 3, to report the implementation status of the given orders.

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Article 14 (Safety and Reliability with the Improvement of Materials and Structure of Products)

① While taking measure to improve materials or structure of the products, producers and/or importers of electrical and electronic equipment and vehicles shall make an effort to secure safety and reliability of their products so as to prevent any injury to users during the use of the products.

② Producers and/or importer of electrical and electronic equipment and vehicles and waste recyclers shall make an effort to reduce hazardous substances and improve recyclability in the course of converting waste electrical and electronic equipment or end-of-life vehicles into reusable materials.

### **TITLE 3. RECYCLING OF WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT AND END-OF-LIFE VEHICLES**

#### **CHAPTER 1. WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT**

Article 15 (Recycling Requirements of Manufacturers and Importers)

① Manufacturers, importers of electrical and electronic equipment or their contractors for the recycling of waste shall carry out recycling of their waste in accordance with the Recycling Methods and Standards by Product Categories as prescribed by a Ministry of the Environment Ordinance.

② Producers and importers of electrical and electronic equipment may collect and recycle their waste individually (including recycling of waste by employing a waste recycler) or join a Recycling Mutual Aid Association prescribed in Article 21 (hereinafter, "Mutual Aid Association").

Article 16 (Mandatory Recycling Rate and Mandatory Recycling Amount)

① In consideration of the following, the Ministry of the Environment shall publish an annual recycling amount and rate in comparison with an annual production amount by product categories stipulated in Article 9, Paragraph 1.

1. An annual production amount by producers or importers of electrical and electronic equipment

2. A separate collection amount of waste electrical and electronic equipment (including separate collection amount of recyclable resources announced by the Special Metropolitan City, Metropolitan Cities, Cities or Provinces (hereinafter, "City or Province") in accordance with Article 13, Paragraph 2 of the Act on the Promotion of Saving and Recycling of Resources

3. Previous recycling performance of electrical and electronic equipment and capacity of recycling installations

4. Other conditions for the recycling of waste such as condition of separate collection and technological development

② When determining mandatory recycling rate, the Ministry of the Environment shall undergo the review of the Committee.

③ Mandatory recycling rate for producers and/or importers of electrical and electronic equipment (hereinafter, "mandatory recycling rate") will be determined on the basis of production amount and be prescribed in the Presidential Decree.

#### Article 17 (Submission of Recycling Requirement Implementation Plan)

① Producers and/or importers of electrical and electronic equipment (excluding those joining Mutual Aid Association) shall submit a recycling requirement implementation plan (재활용의무이행계획서) to and obtain an approval from the Ministry of the Environment as prescribed by the Presidential Decree.

② When having an approval for a recycling requirement implementation plan issued from the Ministry of the Environment as prescribed in Paragraph 1, manufacturers and/or importers shall submit a recycling requirement implementation report (재활용의무이행결과보고서) as prescribed by the Presidential Decree.

#### Article 18 (Collection of Recycling Charges for Electrical and Electronic Equipment)

① When manufacturers and/or importers of electrical and electronic equipment do not carry out recycling requirements stipulated in Article 15, Paragraph 2 or when a Mutual Aid Association does not carry out recycling requirements, the Ministry of the Environment may impose and collect an additional 30 percent of the recycling cost occurred for the recycling of non-compliant waste (hereinafter, "recycling charges") in accordance with the criteria as prescribed by the Presidential Decree, on/from producers and/or importers of electrical and electronic equipment or on/from a Mutual Aid Association.

② Criteria on the calculation of recycling cost, payment due date and payment procedures will be prescribed by the Presidential Decree.

③ When a manufacture, importer or Mutual Aid Association does not pay recycling charges before a first due date, the Ministry of the Environment will issue a payment notification with an extended payment due date of 30 days or longer. Additional 5 percent surcharge (hereinafter, "surcharge") will be imposed on top of the first recycling charge.

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④ When a manufacture, importer or Mutual Aid Association does not surcharge before an extended payment due date as prescribed in Paragraph 3, the surcharge will be collected in accordance with National Tax Handling Procedure (국세채납처분).

⑤ Recycling charges for electrical and electronic equipment (including surcharges) will be accounted as revenues for special environmental improvement account in accordance with the Act on the Special Accounts on Environment Improvement (환경개선특별회계법).

⑥ When the Ministry of the Environment contracts a special agency such as the Korea Environment & Resources Corporation (hereinafter, "Corporation") under the Korea Environment and Resources Corporation Act for the collection of recycling charges in accordance with Article 42, Paragraph of this Act, the Ministry of the Environment may provide parts of the collected recycling charges to the Corporation as administrative costs in line with the Presidential Decree.

#### Article 19 (Use of Recycling Charges for Electrical and Electronic Equipment)

Recycling charges shall be used for the following:

1. Support for the recycling of waste as defined in Article 2, Paragraph 1 of the Waste Management Act or provision of waste treatment installations
2. Research and development for efficient recycling and reduction of waste
3. Support for the collection, recycling and treatment of waste by local Authorities
4. Procurement and keeping of recyclable resources
5. Support for projects for the promotion of resource recycling
6. Administrative costs for the collection of recycling charges.

#### Article 20 (Fee-Free Collection Requirement by Sellers of Electrical and Electronic Equipment)

① Upon the sales of new products to customers, sellers of electrical and electronic equipment defined in Article 9, Paragraph 1 (hereinafter, "sellers") shall collect the same category of discarded products of the customers (including those supplied from other producers and/or importers in the same product category) and packaging materials generated from the new products without any charge. Provided customers want to keep their discarded products and/or packaging materials, sellers do not bear the obligation for the collection of the discarded products and/or packaging materials.

② Sellers shall transfer collected waste electrical and electronic equipment to a local collection depot provided by producers and/or importers or a Mutual Aid Association, reuse the waste independently or contact a recycler for the recycling of the waste.

③ When sellers reuse collected waste electrical and electronic equipment independently or contract a recycler for the recycling of the waste as prescribed by Paragraph 2 of this

Article, they shall inform producers and/or importers of electrical and electronic equipment or a Mutual Aid Association of the following in accordance with the Ministry of the Environment Ordinance.

1. Product category and quantity of collected waste electrical and electronic equipment
2. Name and address of the contracted recycler and the name of representative (only applicable when recycling the waste by contracting a recycler)
- ④ Producers and/or importers of electrical and electronic equipment or a Mutual Aid Association shall designate a collection depot prescribed in Paragraph 2 of this Article and inform sellers of the designated collection depot.
- ⑤ Classification standards of product categories prescribed in Paragraph 1 of this Article shall be determined by the Ministry of the Environment Ordinance.

#### Article 21 (Establishment of Recycling Mutual Aid Association)

- ① Producers and/or importers of electrical and electronic equipment may establish a Recycling Mutual Aid Association to carry out recycling obligation prescribed in Article 15.
- ② A Mutual Aid Association shall be a legal entity.
- ③ A Mutual Aid Association shall be established upon the incorporation registration at the location of its principal office.

#### Article 22 (Permission for the Establishment of a Mutual Aid Association)

- ① When an entity sets up a Mutual Aid Association, he or she shall submit a permission application including the following information and obtain permission for the establishment of the Mutual Aid Association from the Ministry of the Environment:
  1. Statute of the Mutual Aid Association as a legal entity (including objective, business scope, membership, financial contribution, and other details for the management of the Mutual Aid Association)
  2. Business plan for the recycling of waste on behalf of its members
  3. Membership agreement of producers and/or importers of electrical and electronic equipment as the members of the Mutual Aid Association
  4. Mandatory recycling quantity for each member
  5. Specification of waste recycling installations (only applicable when a Mutual Aid Association has an independent waste recycling installation).
- ② When permission for the establishment of a Mutual Aid Association is given as prescribed by Paragraph 1, the Ministry of the Environment shall issue a Public Announcement on the given permission.

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③ When a legal entity having permission for the establishment of a Mutual Aid Association prescribed in Paragraph 1 of this Article modifies permitted matters prescribed by the Ministry of the Environment Ordinance such as Statute, he or shall obtain modification permission from the Ministry of the Environment.

#### Article 23 (Financial Contribution to Mutual Aid Association)

① When producers and/or importers of electrical and electronic equipment participate in a Mutual Aid Association, they shall pay appropriate financial contribution, which is calculated in accordance with recycling cost of waste electrical and electronic equipment on the basis of Article 18, Paragraph 2, to the Mutual Aid Association.

② Calculation standards and payment procedures of financial contribution prescribed in Paragraph 1 of this Article shall determined by the Statute of a Mutual Aid Association.

③ When a Mutual Aid Association carries out recycling obligation for its members, Article 15, Paragraph 1 and Article 17 shall be applied *Mutatis Mutandis*.

#### Article 24 (Application of Civil Act)

Except as provided for in this Act, provisions for legal persons (사단법인) of the Civil Act will apply to Mutual Aid Association *Mutatis Mutandis*.

## CHAPTER 2. END-OF-LIFE VEHICLE

#### Article 25 (Compliance with Recycling Rate of End-of-life Vehicles)

① When a vehicle prescribed in Article 9, Paragraph 1 is discarded, the following entity listed below shall comply with recycling rate for end-of-life vehicles as prescribed by the Presidential Decree (hereinafter, "recycling rate").

1. Producers and/or importers of vehicles
2. Entities involved in automobile dismantling operation (자동차폐차업) under Article 2, Paragraph 9 of Automobile Management Act (hereinafter, "vehicle recycler")
3. Entities involved in shredding and recycling operation of end-of-life vehicle (파쇄재활용업) as prescribed in Article 32, Paragraph 2, Section 1 (hereinafter, "vehicle shredding recycler")
4. Entities involved in the recycling of residues generated from the shredding and recycling of end-of-life vehicle as prescribed in Article 32, Paragraph 2, Section 2 (hereinafter, "vehicle shredder residue recycler")

5. Entities involved in the recycling of gases generated from the disposal of end-of-life vehicle (폐가스류처리업) as prescribed in Article 32, Paragraph 2, Section 3 (hereinafter, "discarded gas recycler")

② Any entity listed in Paragraph 1 shall carry out the following requirement so as to comply with recycling rate.

1. Producers and/or importers of vehicles shall develop recycling technologies of end-of-life vehicles and provide technical support to vehicle recyclers, vehicle shredding recyclers.

2. Vehicle recyclers shall recycle end-of-life vehicles to a maximum extent, and transfer residues generated from the recycling of end-of-life vehicles vehicle shredding recyclers. Waste other than waste generated from end-of-life vehicles shall not be mixed up during the transfer.

3. Vehicle shredding recyclers shall recover metallic materials from residues transferred as required under Section 2 and transfer recyclable shredder residues to vehicle shredder residue recyclers.

4. Vehicle shredder residue recyclers shall, to a maximum extent, recover metallic materials from residues transferred from vehicle shredder residues and/or recover energy from vehicle shredder residues.

5. Discarded gas recyclers shall recycle or dispose of gases appropriately, which may cause adverse impacts on climate and ecosystem, prescribed in Article 2, Section 1-2 of the Air Quality Preservation Act (hereinafter, "gases causing climate change").

③ When a disposal cost of an end-of-life vehicle, such as disposal cost of gases causing climate change, as required by Article 65, Paragraph 2 of the Automobile Management Act and recycling vehicle shredder residues (excluding vehicle shredder residues from imported end-of-life vehicles) and a cost for the recycling of shredding residues (excluding shredding residues generated from imported vehicles) (hereinafter, "disposal and recycling cost for end-of-life vehicles") exceed a price of an end-of-life vehicle to be disposed of (hereinafter, "price of end-of-life vehicle"), producers and/or importers of vehicles shall collect and recycle end-of-life vehicles, through a contract with vehicle recyclers, vehicle shredding recyclers and vehicle shredder residues recyclers, without charging any fees to persons requiring disposal of vehicles as prescribed by the Presidential Decree. Provided that this is not applicable to vehicle recyclers who dispose of or recycle end-of-life vehicles by collecting exceeding costs from an owner of an end-of-life vehicle in accordance with Article 65, Paragraph 2 of Automobile Management Act.

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④ When manufacturers or importers of vehicles dispose of collected end-of-life vehicles without charging any fee under Paragraph 3 of this Article, they shall comply with recycling rate for the vehicles.

Article 26 (Recycling Methods of End-of-life Vehicles)

When listed in Article 25, Paragraph 1 of this Act, they shall recycle end-of-life vehicles or design vehicles in a recycling-friendly manner in accordance with the Recycling Methods and Standards for End-of-Life Vehicles as prescribed in the Presidential Decree.

Article 27 (Segregation and Storage of Substances causing Climate Change)

- ① Vehicle recyclers shall segregate and store substances causing climate change.
- ② Vehicle shredding recyclers shall segregate and discharge vehicle shredder residues only after the recovery metallic materials from end-of-life vehicles.
- ③ A list of substances causing climate change prescribed in Paragraph 1 of this Article shall be determined by the Presidential Decree.

Article 28 (Collection of Disposal and Recycling Costs of End-of-life Vehicles)

When a price of end-of-life vehicle exceeds disposal and/or recycling cost of an end-of-life vehicle, vehicle recyclers, vehicle shredding recyclers, vehicle shredder residues recyclers and waste gas recyclers may collect the disposal and/or recycling cost from the price of end-of-life vehicles. In this case, vehicle recyclers may collect disposal and/or recycling cost on behalf of vehicle shredding recyclers, vehicle shredder residues recyclers and waste gas recyclers.

Article 29 (Establishment of Vehicle Recycling Association)

- ① A Vehicle Recycling Association, which facilitates compliance with recycling rate, (hereinafter, "Vehicle Recycling Association") can be established by anyone listed in Article 25, Paragraph of this Act.
- ② A Vehicle Recycling Association shall be a legal person.
- ③ A Vehicle Recycling Association may be established in a way of incorporation registration with the local Authority at the location of its principal office.
- ④ Unless stipulated in this Act, provisions on legal persons (사단법인) of the Civil Act will be applicable to a Vehicle Recycling Association *Mutatis Mutandis*.

Article 30 (Authorization Procedures for the Establishment of a Vehicle Recycling Association)

- ① When establishing a Vehicle Recycling Association, a person shall submit an application, which includes such purposes of incorporation, business scope and the Statute of incorporation as prescribed in the Presidential Decree, so as to obtain an approval to/from the Ministry of the Environment.
- ② If an approval is given to a person as prescribed in Paragraph 1, the Ministry of the Environment shall issue a Public Announcement.
- ③ When modifying approved matters such as the Statute under Paragraph 1 prescribed in the Ministry of the Environment Ordinance, a Vehicle Recycling Association shall obtain a modification approval.

Article 31 (Performance Report on the Recycling of End-of-life Vehicles)

- ① Vehicle recyclers shall submit a quarterly performance report on the recycling of end-of-life vehicle, which includes the following, within 15 days from the end of each quarter of a year to the Ministry of Construction and Transport as prescribed in the Presidential Decree and the Ministry of Construction and Transport shall send a notification to the the Ministry of the Environment within 3 days from the receipt of the performance report.
  1. Quantities of reused and/or recycled end-of-life vehicles
  2. Quantities transferred to vehicle shredding recyclers
  3. Quantities transferred to waste gas recyclers
- ② Vehicle shredding recyclers shall submit a quarterly performance report on the recycling of end-of-life vehicles, which includes the following, to the Ministry of the Environment within 15 days from the end of each quarter as prescribed in the Presidential Decree.
  1. Quantities of recycled end-of-life vehicles
  2. Quantities transferred to vehicle shredder residue recyclers
- ③ Vehicle shredder residue recyclers shall submit a performance report on the recycling of vehicle shredder residues and energy recovery to the Ministry of the Environment within 15 days from the end of each quarter as prescribed by the Presidential Decree.
- ④ Waste gas recyclers shall submit a performance report on the recycling of waste gases and disposal results to the Ministry of the Environment within 15 days from the end of each quarter as prescribed by the Presidential Decree.
- ⑤ When collecting and recycling end-of-life vehicles from persons requiring the disposal of the vehicle without any charge as prescribed in Article 25, Paragraph 3 of this Act, producers and/or importers of vehicles shall submit a performance report on the recycling

of end-of-life vehicle and energy recovery to the Ministry of the Environment within 15 days from the end of each quarter as prescribed by the Presidential Decree.

⑥ On behalf of others, a Vehicle Recycling Association may submit of the aforementioned performance reports on the recycling of end-of-life vehicle prescribed in Paragraphs 1, 2, 3, 4 and 5 of this Article.

#### **TITLE 4. REGISTRATION OF END-OF-LIFE VEHICLE RECYCLING OPERATION**

##### Article 32 (Registration of End-of-Life Vehicle Recycling Operation)

① When any person wants to carry out operations for the recycling of end-of-life vehicle residues (hereinafter, “end-of-life vehicle recycling operator”) under Article 25, Paragraph 2, he or she shall make registration with the Ministry of the Environment as prescribed by the Ministry of the Environment Ordinance in accordance with the classification of operations prescribed in Paragraph 2 of this Article. When modifying important registration requirements prescribed in the Presidential Decree, he or she shall make a modification registration or, when modifying minor registration requirements, he or she shall make a modification notification.

② The classifications and operations of end-of-life vehicle recycling operators are as follows:

1. Vehicle shredding and recycling operation: shredding and recycling of end-of-life vehicle residual parts transferred from end-of-life vehicle dismantlers
2. Vehicle shredder residues recycling operation: recycling of or recovering energy from vehicle shredder residues transferred from vehicle shredding and recycling operators
3. Waste gas disposal operation: recycling or disposing of substances causing climate change which are segregated and stored by end-of-life vehicle dismantlers.

##### Article 33 (Disqualification)

The following persons listed below are not allowed to make registration as end-of-life vehicles recycling operators.

1. A legally incompetent or quasi-incompetent person
2. A person who has been sentenced to imprisonment or a more severe punishment due to violating this Act, with no more than 2 years having passed since the end of the sentence, or since its extension due to failure to comply.
3. A person who has been sentenced to imprisonment or a more severe punishment due to violating this Act, and whose sentence has been deferred, with the period of deferral having not yet expired.

4. A person whose end-of-life vehicle recycling operation registration has been cancelled pursuant to this Act within the past 2 years.

#### Article 34 (Cancellation of Registration)

① Pursuant to Article 32, Paragraph 1 of this Act, when an end-of-life vehicle recycling operator meets any of the following, the Ministry of the Environment may cancel the registration of the said operation, or order that it suspends all or part of its operations for a period of no more than 6 months. Registration must be cancelled in the event that Sections 1 or 2 are applicable.

1. Operations have been registered by fraud or other unlawful means.
2. Operations correspond to any one of Article 33, Sections 1, 2, 3 and 4. In the event that an officer of the corporation corresponds to said items, this shall not apply if the corporation replaces said officer within 6 months.
3. Operations have not begun operations within 2 years of registration, or have ceased operations for 2 years or more without an appropriate reason.
4. Operations have failed to meet the facilities standards defined in Article 32, Paragraph 1.
5. Operations have continued operations during a period in which it had been ordered to cease operations.

② Necessary details on administrative measures pursuant to Paragraph 1 of this Article shall be established by the Ministry of the Environment Ordinance.

#### Article 35 (Succession of End-of-life Vehicle Recyclers)

① In the event that an end-of-life vehicle recycler has deceased or has transferred ownership of operations, or there has been a corporate merger, the operation status shall be transferred to a legal successor or assignee, or to the corporation resulting from the merger or the corporation formed due to said merger.

② In the event of auction pursuant to the Civil Procedures Act, liquidation pursuant to the Debtor Relief and Bankruptcy Act, or forced sale under the National Tax Collection Act, Customs Act, or Local Tax Act, the party taking charge of all business facilities shall receive the status of the business. In this case, the registration under the name of the previous owner shall cease its effect.

③ In the event that the business status has been transferred in accordance with Paragraph 1, any administrative measures taken against the previous owner due to violation of provisions in Article 34, Paragraph 1 shall remain in effect for 1 year from the date of implementation, and are also transferred to the assignee, merged corporation, or

corporation formed as a result of merger. In the event that procedures for administrative measures are underway at the time of transfer, the said measures may go forward with respect to the assignee, merged corporation, or corporation formed as a result of merger. However, in the event that said assignee, merged corporation, or corporation formed as a result of merger proves that it was impossible to know about said violations or measures, the effect of the measures shall not be transferred and the procedures shall not go forward.

④ The assignee of the status of end-of-life vehicle recyclers in accordance with Paragraphs 1 and 2 of this Article must notify the Ministry of the Environment within 1 month, in a manner specified by the Ministry of the Environment Ordinance.

## **TITLE 5. SUPPLEMENTARY PROVISIONS**

### Article 36 (Record-keeping)

A person meeting any of the definitions below must furnish, record, and maintain registers of accounts as prescribed by Presidential Decree. However, in the event that these documents have been posted to an Operations Management Information System as defined in Article 38, he or she shall be considered as keeping required records.

1. A manufacturer and/or importer of electrical and electronic equipment, or a manufacturer and/or importer of automobiles as defined in Article 9, Paragraph 1.
2. A waste electrical and electronic equipment recycler as defined in Article 12, Paragraph 1.
3. A seller of electrical and electronic equipment as defined in Article 20, Paragraph 1.
4. A Recycling Mutual Aid Association of electrical and electronic equipment as defined in Article 21, Paragraph 1.
5. A vehicle dismantler, vehicle shredding and recycling operator, vehicle shredding residue recycler and waste gas disposer as defined in Article 25, Paragraph 1.
6. A Recycler Association as defined in Article 30, Paragraph 1.
7. A party transporting end-of-life electrical and electronic equipment or end-of-life vehicles as defined in Article 39.

### Article 37 (Reporting and Inspection)

① The Ministry of the Environment, the Ministry of Commerce, Industry and Energy (only applicable to the case of producers/importers of electrical and electronic equipment and vehicles under the paragraph 1 of Article 9) or the Ministry of Construction and Transportation (only applicable to end-of-life vehicle recyclers under the paragraphs 1

and 2 of Article 25) may order any one who corresponds to any one of sub-paragraphs of Article 36 to make a necessary reporting or to submit the data as prescribed by the Presidential Decree, granting the related public officials gain access to relevant facilities or business places, etc. to inspect the related documents, facilities, equipments, etc.

② In cases of inspections under the preceding paragraph 1, the inspection report thereof including inspection date, purposes and content shall be notified to the person intended for the inspection within 7 days from the commencement of inspection. But, cases when prompt inspection is required or notified inspection is considered to be inappropriate for achieving inspection purposes by reasons of such as destruction of evidences are not applied.

③ Any public official who enters and conducts an inspection under paragraph 1 shall carry with himself/herself a certificate indicating competence and show it to the interested persons.

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

① The Ministry of the Environment may establish/operate an operation and management information system (hereinafter referred to as the "operation and management information system") required for processing factors as prescribed by the Presidential Decree such as obligations performance of producers/importers of electrical and electronic equipment and vehicles and information control on waste electrical and electronic equipment and vehicles.

② The Ministry of the Environment may entrust concerned agencies with expertise such as public corporations with works in respect to establishment and operation of operation and management information system when recognized necessary.

③ Cases of entrustment under the paragraph 2, the Ministry of the Environment may support the expenses required.

#### Article 39 (Carriers and Recyclers' obligation on Drawing up and submitting Manifest)

Any person who recycles or transports waste electrical and electronic equipment or end-of-life vehicles shall draw up and report the manifest on information regarding the transfer of waste electrical and electronic equipment, etc., in accordance with the control guideline published by the Ministry of the Environment in cooperation with the Ministry of Construction and Transport. And submission of the information to operation and management information system shall be regarded being reported.

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**Article 40 (Cooperation from Relevant Agency)**

If it is deemed necessary in order to achieve the purpose of this Act, the Ministry of the Environment and Ministry of Commerce, Industry and Energy may request the head of the administrative agency concerned to take measures and to provide information to establish policy with regard to recycling waste electrical and electronic equipment and end-of-life vehicles. In this case, the head of the administrative agency concerned shall comply with it unless there are any special reasons for not doing so.

**Article 41 (Hearing)**

The Ministry of the Environment shall hold a hearing in cases of cancellation of registration in accordance with the paragraph 1 of Article 34.

**Article 42 (Mandate)**

① The powers defined in this Act for the Ministry of the Environment, the Ministry of Commerce, Industry and Energy and the Ministry of Construction and Transport, may be delegated in part to the head of a local environmental office or to a City or Provincial Governor, in the manner established by the Presidential Decree.

② The Ministry of the Environment, the Ministry of Commerce, Industry and Energy, or the Ministry of Construction and Transport, may confer a portion of the tasks pursuant to this Act upon a relevant specialized institution such as the Corporation.

**TITLE 6. PENALTIES**

**Article 43 (Penal Provisions)**

Parties who have submitted fraudulent reports or data in violation of Article 37, and parties who have refused, hindered or evaded entry and inspection, shall be subject to punishment of no more than 1 year in prison and no more than a fine of 10 million Won.

**Article 44 (Joint Liability)**

In the event that a representative or officer of the corporation, the corporation itself, or any employee of the corporation or private owner, shall have violated this Act as described in Article 43, in addition to the penalties imposed on the individual, the corporation or private owner shall also be subject to fine.

Article 45 (Fines)

① A party distributing a product which exceeds the inclusion standard for Hazardous Substances, in violation of Article 9, Paragraph 1, shall be subject to a fine of no more than 30 million won.

② A party meeting any of the following definitions shall be subject to a fine of no more than 20 million Won.

1. A party who has distributed a product which does not comply with the specified percentage of recyclable content, in violation of Article 10, Paragraph 2.

2. A party who has failed to comply with the collection without any charge in violation of Article 25, Section 3

3. A party who has failed to comply with recycling rate in violation of Article 25, Paragraph 4.

4. A party who has failed to recycle in accordance with recycling methods and standards in violation of Article 26.

5. A party who has carried out a recycling operation without having registered said business in violation of Article 32, Paragraph 1.

6. A party who has operated an operation in a period during which operations had been ordered to cease in violation of Article 34, Paragraph 1.

③ A party meeting any of the following definitions shall be subject to a fine of no more than 10 million Won.

1. A party who has violated Article 11 by having distributed a product without having evaluated its percentage of recyclable content or without having confirmed its compliance with restrictions on the use of hazardous substances (excluding cases covered by Paragraph 1 or Paragraph 2, Section 1 of this Article).

2. A party who has failed to provide recycling information in violation of Article 12, Paragraph 1.

3. A party who has violated Article 27, Paragraph 1 by having failed to separate and store substances causing climate change.

4. A party who has violated Article 27, Paragraph 2 by having failed to segregate and discharge shredding residues.

④ A party meeting any of the following shall be subject to a fine of no more than 3 million Won.

1. A party who has violated Article 20, Paragraph 1 by having failed to carry out obligations of sellers with regard to product recovery.

2. A party who has violated Article 35, Paragraph 4 by having failed to serve notice of assignment.

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⑤ A party meeting any of the following shall be subject to a fine of no more than 1 million Won.

1. A party who has violated Article 11 by having failed to make a public announcement with regard to compliance with the recyclable content percentage or with restrictions on the use of hazardous substances, or by having made a false statement.

2. A party who has violated Article 13 by having failed to submit a report.

3. A party who has violated Article 17 (including cases in which said article is applied pursuant to Article 23, Paragraph 3) by having failed to submit a plan for the implementation of recycling requirements or a report on the results of implementing recycling requirements.

4. A party who has violated Article 20, Paragraph 3 by having directly reused end-of-life products or contract a recycler without having announced the kind and quantity of waste products recycled, as well as the name, address, and representative of the recycler to whom the end-of-life product was contracted.

5. A party who has violated Article 20, Paragraph 4 by having failed to designate a collection center or having failed to notify the seller with regard to said collection center.

6. A party who has violated Article 31, Paragraphs 1, 2, 3, 4 and 5 by having failed to submit a recycling performance report or a report concerning the results of recycling, energy recovery, or processing.

7. A party who has violated Article 36 by having falsified or failed to keep and maintain a register of accounts.

8. A party who has violated Article 37 by having failed to produce and submit a report.

9. A party who has violated Article 39 by having failed to prepare and submit a management register.

Article 46 (Collection of Fine for Negligence)

① Fines pursuant to Article 45 shall be imposed and collected by the Ministry of the Environment, the Ministry of Commerce, Industry, and Energy, or the Ministry of Construction and Transport (hereinafter, an "Authorized Party") as prescribed by the Presidential Decree.

② Parties objecting to the imposition of fines pursuant to Paragraph 1 of this Article must file their objection with the Authorized Party within 30 days of being notified.

③ When a party files an objection pursuant to Paragraph 2 after having been subjected to fine pursuant to Paragraph 1, the Authorized Party shall without delay notify the court having jurisdiction of this fact. Upon receipt of said notification, the court having

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jurisdiction shall hear the appeal in accordance with the Non-Contentious Case Litigation Procedure Act.

④ In the event that a party has failed to object within the period defined in Paragraph 2 and has also failed to pay the fine; said fine shall be subject to collections as in the case of tax delinquency.

## **SCHEDULE**

### **Article 1: Date of Effect**

This Act shall come into effect on 1st January 2008.

### **Article 2: General Interim Measures**

Measures and actions taken pursuant to Articles 16 - 21 of the Act on the Promotion of Saving and Recycling of Resources, with regard to electrical/electronic products prior to the coming of this Act into effect, shall be viewed as having been taken pursuant to the relevant provisions of this Act.

### **Article 3: Interim Measures Related to Mutual Aid Cooperatives for Recycling**

Upon this Act coming into effect, mutual aid cooperatives for recycling established pursuant to Article 27 of the Act on the Promotion of Saving and Recycling of Resources (limited to the case of electrical/electronic products) shall be regarded as having been established pursuant to Article 21 of this Act.

### **Article 4: Interim Measures Related to End-of-Life Vehicle Recycling Businesses**

Any party having previously received permission for intermediate waste materials processing under the Wastes Control Act, or having previously served notice of waste materials recycling, and seeking to continue to do business in the field of end-of-life vehicle recycling, must register pursuant to Article 32 within 1 year of this Act coming into effect.

### **Article 5: Interim Measures Related to Penalties**

With regard to penalties and fines (limited to the case of electrical/electronic products) on actions prior to the coming of this Act into effect, the preexistent provisions of the Act on the Promotion of Saving and Recycling of Resources and the Wastes Control Act shall pertain.

**Article 6: Amendment of Other Acts**

① The Act on the Promotion of Saving and Recycling of Resources is amended as follows.

Item 2 in Article 2 is deleted.

Article 21 is deleted.

Article 24 is deleted.

The portions reading “Designated recyclers and parties targeted for material and structural improvement” in Article 26 Section 1 and Article 31 Section 1 are changed to read “Designated recyclers.”

Article 36 Section 1 Item 9 is deleted.

② The Framework Act on Shared Expenses is amended as follows.

Item 118 is added to the Appendix as follows:

“118. Recycling fees pursuant to Article 18 of the Act Concerning the Resource Recycling of Automobiles and Electrical and Electronic Products”

③ The Act on Special Accounts for Improving the Environment is partially amended as follows.

A second sentence is added to Item 13 in Article 3, as follows:

“Recycling fees and surcharges pursuant to Article 18 of the Act Concerning the Resource Recycling of Electrical/Electronic Products and Automobiles”

The portions reading “limited to use in the case of Item 7” are changed to read “limited to use in the case of Item 7, and in the case of the recycling fees and fines of Item 13 Paragraph 2, limited to use in the case of Item 7 Paragraph 2.” In addition, a second paragraph is added to Item 7, as follows:

“Use pursuant to Article 19 of the Act Concerning the Resource Recycling of Automobiles and Electrical and Electronic Products”

**Article 7: Relationship to Other Acts**

In the event that other Acts and regulations contain references to the provisions of the Act on the Promotion of Saving and Recycling of Resources (limited to the case of electrical/electronic products) at the time that this Act comes into effect, if the provisions of this Act conflict with the provisions of said Act, such Acts and regulations shall be viewed as referring to this Act.

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**If you want further information**

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