Law Updates

Ministry of Strategy and Finance
Pre-announcement of a partial amendment to the enforcement decree of the Restriction of Special Taxation Act Notification No. 2014-110

Grounds for amendment
Upon the amendment of the Restriction of Special Taxation Act, mandates of the Act will be defined in detail and shortcomings previously revealed during policy implementation will be addressed.

Ministry of Oceans and Fisheries
Pre-announcement of a notification on the designation of a grading institute and grading system guidelines of the fishing village tourism project Notification No. 2014-487

Grounds for amendment
Pursuant to article 14-2, paragraph 3 of the enforcement decree and Article 7-3, paragraph 6 of the enforcement rule of the Act on the Promotion of Mutual Exchange between Cities and the Agricultural or Fishing Villages Act, the grading institute for the fishing village tourism project will be designated, as well as the grading system guidelines and procedure.

Ministry of Land, Infrastructure and Transport
Pre-announcement of a partial amendment to the enforcement decree of the Building Act Notification No. 2014-968

Grounds for amendment
The Building Act (No. 12246, amended January 14, 2014) was amended to designate procedures for the approval, modification and abolishment of construction contracts, in order to enhance the efficiency of the construction and renovation of buildings.

Financial Services Commission
Pre-announcement of a partial amendment to the enforcement decree of the Insurance Business Act Notification No. 2014-179

Grounds for amendment
As a follow-up measure to the 2014 financial regulation reform, the Insurance Business Act will be amended to restrict credit card companies from selling insurance products, and ease asset management regulations on the subsidiaries of insurance companies (e.g. Korea Venture Fund).

Ministry of Science, ICT and Future Planning
Pre-announcement of a partial amendment to the Mutual Connections Standard on Telecommunications Device Notification No. 2014-316

Grounds for amendment
The Mutual Connections Standard on Telecommunications Device will be amended to reflect changes in the telecommunications market, attract investment in the Internet network and create an environment for fair competition.

Ministry of Trade, Industry & Energy
Pre-announcement of a partial amendment to the enforcement rule of the Act on Special Cases for the Support of Industrial Technology Complexes Notification No. 2014-353

Grounds for amendment
Upon the amendment of the above Act (No. 12606, publically announced May 20, 2014, effective as of November 21, 2014) for the purpose of designating project contents and the role of project manager, mandates of the Act (regarding additional project scope subject to investigation and disclosure, etc.) will be defined in detail.

Ministry of Trade, Industry & Energy
Re-announcement of a partial amendment to the enforcement rule of the Distribution Industry Development Act Notification No. 2014-364

Grounds for amendment
Upon the amendment of the Distribution Industry Development Act (No. 12443, publically announced and effective as of March 18, 2014), mandates of the Act (registration procedure of the floor area of large stores located within the traditional business preservation zone, etc.) will be defined in detail.

Ministry of Trade, Industry & Energy
Pre-announcement of a partial amendment to the enforcement rule of the Electric Utility Act Notification No. 2014-358

Grounds for amendment
Upon the amendment of the Electric Utility Act, its enforcement rule will be amended to set approval procedures for the vesting contract, as well as for obtaining stocks.

Ministry of Trade, Industry & Energy
Pre-announcement of a partial amendment to the enforcement decree of the Electric Utility Act Notification No. 2014-357

Grounds for amendment
Upon the amendment of the Electric Utility Act (No. 12612, May 20, 2014) for the purpose of ensuring the security of electricity businesses through establishing approval standards, as well as adopting a vesting contract system, the enforcement decree will be amended accordingly.

Ministry of Strategy and Finance
Pre-announcement of a partial amendment to the Framework Act on National Taxes Notification No. 2014-117

Grounds for amendment
The amended Act aims to address shortcomings previously revealed during the implementation of current policies. To induce faithful reporting, stronger sanctions will be applied against offshore tax evasion and tax avoidance. Also, the rectification claim period will be extended to strengthen taxpayers’ rights.

Ministry of Strategy and Finance
Pre-announcement of a partial amendment to the National Tax Collection Act Notification No. 2014-118

Grounds for amendment
The amended Act aims to address shortcomings previously revealed during the implementation of current policies. It will strengthen the tax nonpayment adjustment on the defaulter, and will include relatives who have hidden the assets of the defaulter in the process. Changes will be made in the payment standard of deposits for public auction, in order to enhance the efficiency of the public auction procedure.

Ministry of Strategy and Finance
Pre-announcement of a partial amendment to the Adjustment of International Taxes Act Notification No. 2014-122

Grounds for amendment
The amended Act aims to address shortcomings previously revealed during the implementation of current policies. A prior adjustment system will be adopted to adjust between normal domestic prices and the imposed tariff. A higher tax will be imposed on overseas asset inheritance to prevent the illegal inheritance of overseas assets. Also, a more stringent insufficient capital tax system will apply to multinational corporations in Korea, and stronger sanctions will be imposed on unreported overseas finance accounts.

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