Law Updates

Partial Revision of the Enforcement Decree of the Industrial Technology Innovation Promotion Act

Grounds for revision
The revision aims to establish ground rules to set a certain period for certification application and screening in order to effectively run the New Excellent Technology (NET) certification system. In addition, as the relevant law was revised on May 20, 2014 to announce the list of public institutions that do not follow the Ministry of Trade, Industry & Energy’s recommendations about the mandatory purchase of newly launched certified products, the purpose of this Revision is to follow up on the previous revision and set details accordingly.

Major revisions
A. Include the following in Article 18-1
Provided, however, that the Minister of Trade, Industry & Energy can set and announce a certain period to receive applications for the NET certification, and applicants should apply for the NET certification during this period.
B. Establish Article 27-2 as follows
When the Minister of Trade, Industry & Energy wants to announce the list of institutions that do not follow the recommendations in compliance with Article 17-2-5, the following information will be announced on the official website or another website designated by the Minister.
  1) Institution Name
  2) Recommendation details and reasons
  3) Compliance details
  4) Other details the Minister considers necessary to announce

Partial Revision of the Enforcement Decree of the Employment Insurance Act

Grounds for revision
As the mandatory retirement age will be extended to 60 from 2016, the revision aims to prevent potential side effects on youth employment by providing subsidies to companies that employ youth workers through various youth employment promotion efforts, including a wage peak system.

Partial Revision of the Enforcement Decree of the Special Act on the Development of Enterprise Cities

Grounds for revision
As the Special Act was partially revised on June 22, 2015, the Revision aims to follow up on the previous revision and improve laws in order to encourage private participation in enterprise city development projects.

Major revisions
A. Revise the minimum development area
   (Article 9 and Article 16-3)
   Integrate 3 types of development that were designated in the previous revision into one type and set the minimum development area to over 1 million square meters. Exceptions will be decided by Presidential Decree.
B. Set details about expansion-type development
   (Article 9, Article 9-2, Article 16)
   Considering the characteristics of developing the neighboring area of factories, universities and research and development centers, ease the minimum development area regulation to 100,000 square meters, and set the ratio of land for development to the available land to 40 percent so that related industries can form clusters.
C. Ease the restitution of development profit
   Set the restitution rate to 20 percent; however, ease the rate to 10 percent in less-developed areas.
D. Ease project operator requirements
   Ease requirements, such as the total amount of revenue, by 50 percent while maintaining the same level of financial stability-related requirements, such as the debt ratio.
E. Ease the direct land-use ratio
   Ease the ratio to 20 percent; however, upon the request of a mayor or county governor due to reasons including the bankruptcy of an operator, the ratio can be further eased to 10 percent.