

ENFORCEMENT DECREE OF THE SPECIAL ACT ON DESIGNATION AND MANAGEMENT OF FREE ECONOMIC ZONES

Presidential Decree No.18029, Jun. 30, 2003
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 Presidential Decree No.18816, Apr. 28, 2005
 Presidential Decree No.20529, Jan. 8, 2008
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 Presidential Decree No.20937, Jul. 24, 2008
 Presidential Decree No.21185, Dec. 24, 2008
 Presidential Decree No.21626, Jul. 7, 2009
 Presidential Decree No.21641, Jul. 27, 2009
 Presidential Decree No.21656, Jul. 30, 2009
 Presidential Decree No.21765, Oct. 1, 2009

Article 1 (Purpose)

The purpose of this Decree is to provide for matters delegated under the [Special Act on Designation and Management of Free Economic Zones](#) and other matters needed for its enforcement.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 2 (Request for Designation of Free Economic Zones)

(1) The Special Metropolitan City Mayor, the Metropolitan City Mayor or the *Do* Governor (hereinafter referred to as the "Mayor/*Do* Governor") shall, when he/she intends to request designating any free economic zone in accordance with [Article 4 \(1\) of the Special Act on Designation and Management of Free Economic Zones](#) (hereinafter referred to as the "Act"), separately take measures to stabilize the prices of real estate, including land, buildings, etc. located in an area to be developed into a free economic zone and in its surrounding areas and consult in advance with the Minister of Knowledge Economy and the Minister of Land, Transport and Maritime Affairs.

(2) The Mayor/*Do* Governor may request the heads of central administrative agencies concerned to take necessary measures to stabilize the prices of real estate in a free economic zone and its surrounding areas.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 3 (Notice, etc. of Designation of Free Economic Zones)

(1) The Minister of Knowledge Economy shall, when he/she designates any free economic zone in accordance with [Article 4 \(6\) of the Act](#), publish matters falling under each of the following in the official gazette:

1. The name, location and area of the free economic zone;
2. Objectives of designating the free economic zone;
3. Location, size and an entity of development project implemented in the free economic zone (hereinafter referred to as "development project");
4. Duration of development projects, means to secure financial resources and methods of implementing the development project (in the event that the development project is undertaken on a phased basis in accordance with [Article 4 \(5\) of the Act](#), the above refers to the duration of the development project, ways to secure financial resources and methods of implementing the development projection each phase);
5. Programs for utilizing land and for major infrastructure;
6. Programs for accommodating population and constructing residential buildings;
7. Programs for inducing investments from foreigners and creating environment for their settlement;
8. Means to peruse relevant books;
9. Other matters recognized as necessary by the Free Economic Zone Committee pursuant to [Article 25 of the Act](#) (hereinafter referred to as the "Committee").

(2) The Minister of Knowledge Economy shall, if he/she cancels the designation of part of any free economic zone or alters details of the development project of any free economic zone in accordance with [Article 7 or 7-2 of the Act](#), make notification of the grounds therefor and matters falling under any of the subparagraphs of paragraph (1) in the official gazette: *Provided*, That in cases of cancellation of designation of the whole of any free economic zone, he/she shall make notification of the grounds therefor and matters falling under paragraph (1) 1 through 3.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 4 (Matters to be Taken into Account with Regard to Designation of Free Economic Zones)

"Other matters prescribed by Presidential Decree" in subparagraph 7 of [Article 5 of the Act](#) means matters falling under any of the following subparagraphs:

1. Feasibility of securing professionals and the supply and demand of human resources;
2. Level of services in surrounding cities, including management environment, conditions of living, etc.;
3. The practicality of the plan for developing any free economic zone;
4. Other matters that are recognized as necessary and notified by the Minister of Knowledge Economy.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 4-2 (Development Project Entities)

The Minister of Knowledge Economy shall consider the following matters in designating a development project entity (hereinafter referred to as "development project entity"):

1. Ability to induce foreign investments;
2. Financial soundness and ability to raise the required funds;
3. Experience to execute similar development projects;
4. Matters recognized as necessary for the smooth execution of the development project and notified by the Minister of Knowledge Economy.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 5 (Plans for Developing Free Economic Zones)

(1) "Matters prescribed by Presidential Decree" in [Article 6 \(1\) 13 of the Act](#) means matters falling under any of the following subparagraphs:

1. Duration of the development project;
2. Matters concerning infrastructure, such as water supply, energy, traffic and information and communications;
3. Programs for creating cultural facilities and parks, as well as greenbelts;
4. Programs for urban scenery;
5. Programs for existing buildings and structures, etc. to be kept intact;
6. Programs for underground installations, including utility tunnels, etc.;
7. Matters concerning the inducement of major facilities and standards for installing them;
8. Examination of the economic efficiency with respect to programs for constructing key establishments, including major infrastructure, etc., necessary to develop any economic free zone.

(2) Plans for developing a free economic zone shall be accompanied by documents and drawings falling under each of the following subparagraphs:

1. A topographic map drawn to a scale of 1:25,000 or greater, which indicates the location of the relevant free economic zone and a topographic map drawn to a scale of 1:5,000 or greater, which indicates the location of the relevant free economic zone;
2. The land registration map or the forest land map, which indicates the boundaries of the relevant free economic zone.

(3) The Minister of Knowledge Economy may, when it is deemed necessary, request the Mayor/Do Governor for additional matters to be included in the plan for developing any free economic zone.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 5-2 (Matters to be Consulted with Mayor/Do Governor in Developing Areas where Plans for Developing Free Economic Zones have not been Established)

"Cases prescribed by Presidential Decree" in the proviso to [Article 6-2 of the Act](#) means cases falling under any of the following subparagraphs:

1. Construction permission under [Article 11 of the Building Act](#), reporting on construction under [Article 14](#) of the same Act, permission for or reporting on changes under [Article 16](#) of the same Act, permission for or reporting on alternation of purpose of use under [Article 19](#) of the same Act, permission for or reporting on temporary building under [Article 20](#) of the same Act; reporting on commencement of construction under [Article 21](#) of the same Act, and approval for use of building under [Article 22](#) of the same Act;
2. Permission for development activities under [Article 56 of the National Land Planning and Utilization Act](#).

[This Article Newly Inserted by Presidential Decree No. 21656, Jul. 30, 2009]

Article 5-3 (Scope of Areas Contiguous to Free Economic Zones)

"Distance prescribed by Presidential Decree" in the main sentence of [Article 6-3 of the Act](#) means two kilometers.

[This Article Newly Inserted by Presidential Decree No. 21656, Jul. 30, 2009]

Article 6 (Change of Plans for Developing Free Economic Zones)

(1) When the Minister of Knowledge Economy is requested to amend the plan for developing free economic zones under [Article 7-2 \(1\) and \(2\) of the Act](#), he/she shall notify the Mayor/Do Governor or

the development project entity in writing as to whether to amend the plan for developing free economic zones within three months from the date he/she was requested to make amendments thereto unless any special ground exists otherwise.

(2) The period to go through the Mayor/Do Governor under the former part and latter part of [Article 7-2 \(2\) of the Act](#) shall be within one month.

(3) "Minor matters prescribed by Presidential Decree" in [Article 7-2 \(3\) of the Act](#) means matters falling under any of the following subparagraphs:

1. Change of name of the relevant free economic zone due to a change in the administrative district, etc.;
2. Change in the size of a district in which the Minister of Knowledge Economy allows development project promoted by respective development projects entities within the free economic zone (hereinafter referred to as "unit development project district"), which falls under any of the following items:
 - (a) Where the total size of the unit development project district is one million square meters or more:
Change in the size of less than 100,000 square meters;
 - (b) Where the total size of the unit development project district is one million square meters or less:
Change in the size of less than 10/100 of the unit development project district;
3. Change in the land utilization plan or plan for major infrastructure, etc. within the extent of the size prescribed in subparagraph 2;
4. Change of less than 10/100 in the number of population to be admitted in the unit development project district;
5. Change of plans for major infrastructures due to natural features of land and nature of soil;
6. Change of the name and address of the development project entity (referring to the name and address of a corporation and to the name and address of the representative in cases of a corporation; hereinafter the same shall apply);
7. Change to reflect details of consultation under [Article 18 of the Environmental Impact Assessment Act](#), necessary matters to be improved under [Article 16 \(4\) of the Urban Traffic Improvement Promotion Act](#), assessment of impact on population under the [Seoul Metropolitan Area Readjustment Planning Act](#) or details of prior consultation on examination of disaster impact under [Article 4 of the Countermeasures against Natural Disasters Act](#) (where the matters of changes in subparagraphs 2 through 4 are accompanied, it shall be limited to the extent of the relevant change);
8. Correction of execution size due to mistakes, etc. insofar as no fluctuation of development project execution district exists;
9. Change of road plans, waterworks plans or sewerage plans prescribed by Ordinance of the Ministry of Knowledge Economy;
10. Reduction in the duration of the development project, or extension thereof for up to one year;
11. Increase or decrease in business expenses within 10/100 on the basis of the amount stated in the items of methods of raising financial resources;
12. Other matters equivalent to subparagraphs 1 through 11, prescribed by Ordinance of the Ministry of Knowledge Economy.

(4) Sizes under paragraph (3) 2 and 3 shall be calculated by adding the size to be changed under paragraph (3) 2 or 3 and the size changed under paragraph (3) 2 or 3 within the same development project district during the past year.

(5) Where a request for change in matters of paragraph (3) 6 is filed, the Minister of Knowledge Economy shall amend them unless any special ground exists otherwise.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 6-2 (Restrictions on Activities)

(1) "Activities prescribed by Presidential Decree, such as alternation of the type or quality of land, construction of buildings, installation of structures, etc." in the former part of [Article 8-2 \(1\) of the Act](#) means activities falling under any of the following subparagraphs:

1. Alteration of the type or quality of land and excavation;
 2. Gathering soil, stones, gravel or sand;
 3. New construction, reconstruction and expansion of buildings, or installation of structures;
 4. Deforestation of bamboo or trees and planting;
 5. Installation of, or storing goods difficult to move.
- (2) The competent Mayor/Do Governor shall grant permission for an activity falling under any subparagraph of paragraph (1) within the scope not hindering the development project. In such cases, the competent Mayor/Do Governor shall hear opinions of the development project entity before granting permission.
- (3) Notwithstanding paragraph (1), an activity falling under any of the following subparagraphs within districts of development project may be performed without any permission by the competent Mayor/Do Governor:
1. Alteration of the type and quality of lands for cultivation;

2. Installation of simple structures to be directly used for production of agricultural, forest or fishery products;
3. Tentative planting of ornamental vegetation in areas which are not the cultivation land;
4. Installation or stacking of goods of less than five tons, which are the goods of solitary entity whose individual part is less than one ton and easy to partition;
5. Utilizing land which neither hinder the development project nor damage natural scenery.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 7 (Preparation of Implementation Plans)

Each development project entity shall prepare an implementation plan (hereinafter referred to as "implementation plan") in accordance with [Article 9 \(1\) of the Act](#) in conformity with the plan for developing free economic zones.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 8 (Application for Approving Implementation Plans)

(1) Each development project entity shall, when he/she intends to obtain approval of an implementation plan in accordance with [Article 9 \(1\) of the Act](#), file an application, specifying matters falling under any of the following subparagraphs with the Minister of Knowledge Economy for approving the implementation plan:

1. The location and area of the development project he/she intends to undertake;
2. The implementation duration of the development project;
3. Schedule to secure and utilize land required for the development project;
4. In the event that the development project is undertaken on a phased basis in accordance with [Article 4 \(5\) of the Act](#), the program for implementing the development project in each phase;
5. District-unit planning under [Article 9 \(4\) of the Act](#);
6. Necessity of application of relevant special cases and detailed contents in cases where the building-to-land ratio or floor space index is separately provided under [Article 9-2 of the Act](#);
7. In the event that the permission, etc. is already granted, which are deemed fictitious under each subparagraph of [Article 11 \(1\) of the Act](#), the details thereof;
8. The name and address of the relevant development project entity;
9. Other matters recognized as necessary to undertake the development project and publicly notified by the Minister of Knowledge Economy.

(2) Each application for approving an implementation plan under paragraph (1) shall be accompanied by documents and drawings falling under any of the following subparagraphs:

1. The location map;
2. The site map drawn on the basis of the land registration map;
3. Planned floor plan design and summary drawing documents;
4. Financial plan and a document attesting such plan (including annual investment plans, annual plans for securing financial resources and annual plans for recovery of money invested, etc.);
5. Programs for inducing the foreign investment;
6. Programs for purchasing or compensating land, etc. in the area of the development project (referring to land, goods or rights provided for in [Article 3 of the Act on the Acquisition of Land, etc. for Public Works and the Compensation Therefor](#); hereinafter the same shall apply) and a document concerning the relocation of residents;
7. Programs for utilizing, earning profit therefrom, managing and disposing of the land and facilities created by the development project;
8. An environmental impact assessment report provided for in [Article 13 of the Environmental Impact Assessment Act](#);
9. Documents concerning measures to preserve cultural properties;
10. Written records concerning installation, relocation, removal, reversion, transfer of control, transfer, etc. of public facilities;
11. A detailed statement concerning the location, lot number, category, area, ownership and rights, other than the ownership of the land, etc. to be expropriated, and a document stating the name and address of the landowner or the rightful claimant of the land;
12. A detailed statement concerning existing factories or buildings, etc. that are intended to be kept intact as they are;
13. Programs for reversing and replacing public facilities and land, etc.;
14. Documents necessary for consultations with the heads of administrative agencies concerned under [Article 11 \(2\) of the Act](#).

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 9 (Procedures for Approving Implementation Plans)

(1) The relevant development project entity shall file an application for approving an implementation plan under [Article 9 \(1\) of the Act](#) within 18 months from the date on which the designation of the relevant free economic zone is publicly notified in accordance with [Article 4 \(6\) of the Act](#) with the Minister of Knowledge Economy, and also submit a copy of his/her implementation plan to the

Mayor/Do Governor: *Provided*, That in cases where the deadline for approval for implementation plan has been extended under [Article 9 \(3\) of the Act](#), the deadline for application for implementation plans shall be also deemed to have been extended as much as the relevant extended deadline.

(2) When the Minister of Knowledge Economy is requested to approve an implementation plan or approve amendments to an implementation plan under [Article 9 \(1\) of the Act](#), he/she shall notify in writing the relevant development project entity as to whether he/she approves the implementation plan or approves amendments to the implementation plan within five months from the date on which he/she is requested for approval or approval of changes, unless any special ground exists otherwise.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 10 (Amendments to Implementation Plans)

(1) "Implementation plan meeting the standards prescribed by Presidential Decree" in the proviso to [Article 9 \(2\) of the Act](#) means an implementation plan for a unit development district, the size of which is less than 450,000 square meters.

(2) "Minor matters prescribed by Presidential Decree" in the proviso to [Article 9 \(2\) of the Act](#) means any of the following matters:

1. Change of the name and address of the development project entity;
2. Reduction in the period of development project or extension thereof within one year;
3. Correction of execution size due to mistakes, etc. insofar as no fluctuation of development project execution district exists;
4. Change of road plans, waterworks plans or sewerage plans prescribed by Ordinance of the Ministry of Knowledge Economy;
5. Change in the size of unit development project district, which falls under any of the following items:
 - (a) Where the total size of the unit development project district is one million square meters or more:
Change in the size of less than 100,000 square meters;
 - (b) Where the total size of the unit development project district is one million square meters or less:
Change in the size of less than of the total size 10/100 of the unit development project district;
6. Amendment to district-unit planning to reflect changes under the subparagraphs of [Article 6 \(3\)](#) and subparagraphs 1 through 5;
7. Amendment to district-unit planning, such as layout, shape, color, building-to-land ratio, floor space index of buildings, maximum or minimum height of building, landscape plan, etc. within the extent that does not accompany the changes under the subparagraphs of [Article 6 \(3\)](#) and subparagraphs 1 through 6;
8. Increase or decrease in business expenses within the extent of 10/100 on the basis of the amount stated in the financial plan;
9. Other matters equivalent to subparagraphs 1 through 8, prescribed by Ordinance of the Ministry of Knowledge Economy.

(3) Where a request for approval of amendments to matters under paragraph (2) 1 is filed, the Minister of Knowledge Economy shall grant approval of amendments thereto unless any special ground exists.

(4) The size under paragraph (2) 5 shall be calculated by adding the size to be changed under the same subparagraph and the size changed under the same subparagraph within the same development project district during the past year.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 11 (Timing for Submitting Environmental Impact Assessment Reports, etc.)

The environmental impact assessment report, traffic impact analysis and improvement measures and consultations shall be submitted and requested, or deliberation by the deliberation committee of traffic impact analysis and improvement measures shall be made, prior to granting approval for an implementation plan, notwithstanding [Article 23 \(1\) of the Enforcement Decree of the Act on Environmental Impact Assessment Act](#) and [Article 13-3 of the Enforcement Decree of the Urban Traffic Improvement Promotion Act](#).

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 11-2 (Special Cases concerning National Land Planning and Utilization Act)

Special Metropolitan Cities, Metropolitan Cities having jurisdiction over free economic zones or Sis/Guns located in free economic zones may provide separately the building-to-land ratio or floor space index in the free economic zones by their Municipal Ordinances within the scope not exceeding 150/100 of the building-to-land ratio or floor space index to be applied to the relevant specific-use area:

Provided, That in cases where the specific-use area is altered under [Article 11 \(1\) 16 of the Act](#), the building-to-land ratio or floor space index shall not be provided separately.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 11-3 (Public Institutions)

"Public institution prescribed by Presidential Decree" in subparagraph 2 of [Article 9-4 of the Act](#) means an institution under [Article 4 \(1\) 2 or 3 of the Act on the Management of Public Institutions](#), which has been designated as a public institution under the same Act.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 11-4 (Methods, etc. of Supply of Land Created)

(1) "Cases of supplying lands created for the purposes prescribed by Presidential Decree, such as inducement of foreign investment" in [Article 9-7 \(2\) of the Act](#) means cases falling under any of the following subparagraphs:

1. Supplying land created (hereinafter referred to as "land created") under [Article 9-7 \(1\) of the Act](#) to foreign-invested enterprises, foreign educational institutions and foreign medical institutions;
2. Supplying land created to the State or local governments;
3. Other cases deemed necessary by the Minister of Knowledge Economy through deliberation and resolution by the Committee in order to induce foreign investment or revitalize free economic zones.

(2) Where a development project entity intends to supply land created, he/she shall go through a competitive bidding: *Provided*, That in cases falling under any of the following subparagraphs, he/she may supply land created, by private contract:

1. Supplying land created to any person falling under any subparagraph of paragraph (1);
2. Cases where he/she may supply land created by private contract under related Acts and subordinate statutes.

(3) Where a development project entity intends to supply land created, he/she shall publicly announce matters falling under any of the following subparagraphs by not later than ten days prior to the deadline for application for supply (not later than five days in cases of emergency or re-supply): *Provided*, That the publication may be omitted in cases of supplying land created by private contract under the proviso to paragraph (2):

1. The location, area and purpose of use of land created;
2. The timing, method and conditions of supply;
3. Supply price or method of determination of supply price;
4. Qualifications of persons entitled to supply and method of selection.

(4) Standards for price per purpose of use of land created shall be listed in attached Table: *Provided*, That in cases of supplying land created at a price below the cost of creation under [Article 9-7 \(2\) of the Act](#), it shall conform to standards for price prescribed and publicly notified by the Minister of Knowledge Economy.

(5) Details necessary for the supply of land created, other than the matters provided for in paragraphs (1) through (4) shall be prescribed by the Minister of Knowledge Economy.

[This Article Newly Inserted by Presidential Decree No. 21656, Jul. 30, 2009]

Article 12 (Publication of Approval for Implementation Plans)

The Minister of Knowledge Economy shall notify the following matters in the official gazette with regard to an implementation plan under [Article 10 \(1\) of the Act](#):

1. The name of the development project and the name of the development project entity (in cases of a corporation, the name of such corporation and the name of the representative thereof);
2. Objectives and a summary of the development project;
3. The location and area of the development project;
4. The duration of the development project;
5. Details of the land, etc. to be expropriated or used: *Provided*, That details of the land, etc. included in the notice of designation of the relevant free economic zone shall be excluded.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 12-2 (Procedures for Fictitious Authorization or Permission etc.)

The head of the relevant administrative agency in receipt of a request for consultation from the Minister of Knowledge Economy under [Article 11 \(2\) of the Act](#) shall present his/her opinions within 30 days from the date of receiving the request for consultation.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 12-3 (Organization and Operation of Council)

(1) When it is recognized as necessary to coordinate differences between relevant administrative agencies and to proceed with consultations swiftly in the process of consultations under [Article 11 \(2\) of the Act](#), the Minister of Knowledge Economy may organize and operate a council with relevant administrative agencies. *<Amended by Presidential Decree No. 20655, Feb. 29, 2008>*

(2) The public official belonging to the Ministry of Knowledge Economy who is appointed by the Minister of Knowledge Economy shall be the chairperson of the council in paragraph (1), and public officials in the rank of director general of the relevant administrative agencies shall be its members. *<Amended by Presidential Decree No. 20655, Feb. 29, 2008>*

[This Article Newly Inserted by Presidential Decree No. 20529, Jan. 8, 2008]

Article 13 (Inspection on Completion of Works)

(1) Any development project entity shall, when he/she intends to have the completion of his/her development project inspected in accordance with [Article 14 \(1\) of the Act](#), file an application for inspection of the completion of works, accompanied by documents falling under any of the following subparagraphs, with the Minister of Knowledge Economy:

1. Written records of completion of works (including drawings and specification of completion of works

and photos showing completion of works);

2. The map of cadastral survey;
3. Written records of land areas by purpose of use;
4. Written records of reverted public facilities, etc. and the drawings thereof;
5. Other documents prescribed by Ordinance of the Ministry of Knowledge Economy.

(2) The Minister of Knowledge Economy shall, upon receiving any application for inspection on completion of works, check whether the relevant development project has been undertaken in conformity with the relevant implementation plan and if he/she finds the relevant development project has been undertaken in conformity with such plan, deliver a written inspection on the completion of works to the relevant development project entity and publicly notify matters falling under any of the following subparagraphs in the official gazette:

1. The name of the development project;
2. The name and address of the development project entity;
3. The location and area of the development project and the area by purpose of use;
4. The date of completion of works;
5. Matters concerning management and disposal of major facilities;
6. Other matters recognized as necessary and publicly notified by the Minister of Knowledge Economy.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 14 (Use of Land, etc. Prior to Inspection on Completion of Works)

(1) In the event that any person, who has rented or purchased, by contract, any land developed or any facility installed in the development project, requests for permission for using them prior to the inspection of completion of works, the undertaker of the relevant development project shall, if the use of such land and facility prior to inspection on completion of works is deemed not to impede his/her development project, file an application for permission for use prior to inspection on completion of works without delay, accompanied by documents falling under any of the following subparagraphs, with the Minister of Knowledge Economy under the proviso to [Article 14 \(3\) of the Act](#):

1. Document stating the grounds for using them and the urgency of using them prior to an inspection on the completion of works;
2. Document showing the current progress of works involving such land and facility to be used;
3. The written opinion presented by the inspector of works or the supervisor of works with regard to the possibility of use of land and facilities to be used and their safety, etc.;
4. The drawing and photo showing such land and facilities to be used in the completion stage;
5. The explicit survey of the land to be used.

(2) The Minister of Knowledge Economy shall, upon receiving application from the undertaker of the relevant development project for using land and facilities under paragraph (1), determine whether the developed land and installed facilities can be used in conformity with their usages and then take a disposition to grant permission or not to grant permission within 30 days from the date on which he/she receives an application.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 14-2 (Extent of Installing Infrastructure)

The extent of facilities to be installed under [Article 14-2 \(2\) of the Act](#) by kind shall be as follows:

1. Roads: Roads that meet all of the following requirements:
 - (a) That it shall be a road that has been decided as a road under the [National Land Planning and Utilization Act](#) or a road district under the [Road Act](#);
 - (b) That it shall be a national highway, *Do* road or State-aided *Do* road under the [Road Act](#), which is to be installed by local governments;
2. Waterworks and sewerage: Ducts of waterworks and sewerage not linked with the ducts of waterworks and sewerage within a free economic zone but just pass through the zone;
3. Electricity facilities: Electricity facilities to the boundary line of individual plot of land (hereinafter referred to as "individual plot of land") adjacent to an urban planning road with a width of six meters or wider on the land utilization plan within a free economic zone, which shall be facilities being the mainstay outside the free economic zone: *Provided*, That the main electricity facilities within a free economic zone are installed underground according to the request of development project entity, the person who supplies electricity and the person who requests to install it underground shall bear the installation expenses in the ratio of 50:50;
4. Gas supply facilities: Gas supply facilities to the boundary line [to a fixed pressure control room where a fixed pressure control room is installed within the individual plot of land to supply gas for cooking or individual heating (excluding central heating)] of each individual plot of land within the free economic zone, which shall be facilities being the mainstay outside the free economic zone;
5. District heating facilities: Heat transfer pipe to the control valve at the entrance of each machine room of individual plot of land from the diverging point of heat transfer pipe, which shall be the mainstay outside the free economic zone;

6. Communications facilities: Cable facilities to the boundaries outside the individual plot of land from the facilities being the mainstay of the free economic zone and cable facilities from the facilities being the mainstay outside the free economic zone to the first terminal in the individual plot of land.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 15 (Financial Support for Local Governments)

(1) In the event that the State financially supports local governments in accordance with [Article 16 \(3\) of the Act](#), the Committee shall set standards for financial support, comprehensive by considering matters falling under any of the following subparagraphs. In such cases, the Committee shall take into consideration the standards for financial support provided for in [Article 14 of the Foreign Investment Promotion Act](#):

1. The scale of job creation;
2. The effects of technology transfer;
3. The type of business and the amount of investment, run and made by foreign-invested enterprises located in free economic zones (hereinafter referred to as "located foreign-invested enterprises");
4. The extent of contribution by local governments to the inducement of foreign investments;
5. The ripple effects of foreign investments on the local economy as well as the national economy.

(2) The heads of central administrative agencies shall, upon receiving requests from local governments for financial support, provide such local governments with financial support according to the standards for financial support, set by the Committee: *Provided*, That in cases where the funds are assisted under [Article 14 of the Foreign Investment Promotion Act](#) as the foreign investment areas under [Article 18](#) of the same Act are designated within the free economic zone, the funds shall not be assisted.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 16 (Reduction or Exemption, etc. of Rents on National and Public Properties)

(1) The amount of rents for national and public properties provided for in [Article 16 \(4\) of the Act](#) shall be an amount calculated by multiplying the rate of not less than 10/1,000 by the value of the relevant national and public properties.

(2) The reduction rate or exemption rate applied to rents for national property provided for in [Article 16 \(4\) of the Act](#) shall be determined by the national property management agency in charge of managing the relevant national property (including any person to whom it is delegated or entrusted under [Article 28 or 42 \(1\) of the State Properties Act](#); hereinafter the same shall apply) within the scope of 100/100 of the rents for the relevant national properties. *<Amended by Presidential Decree No. 21641, Jul. 27, 2009>*

(3) Any located foreign-invested enterprise that intends to qualify for reduction or exemption of rents for national property in accordance with [Article 16 \(4\) of the Act](#) shall file an application for the reduction or the exemption of the rents with the competent national property management agency.

(4) Any located foreign-invested enterprise that intends to have rents for any public property reduced or exempted in accordance with [Article 16 \(4\) of the Act](#) shall file an application for the reduction or exemption of rent with the head of the relevant local government.

(5) The relevant local government shall prescribe details, such as the business entitled to the reduction or exemption of rents for public properties and the reduction or exemption rate of rents provided for in [Article 16 \(4\) of the Act](#) in Municipal Ordinance, taking into account the creation of jobs and effects on the revitalization of free economic zones and the local economy, etc.

(6) The State and local governments may, if they sell any national or public property to any development project entity or any located foreigninvested enterprise and any purchaser is recognized to face difficulty in paying the purchase price in lump sum, extend the payment date of the purchase price or allow the purchaser to pay the purchase price in installments according to methods falling under any of the following subparagraphs in accordance with [Article 16 \(5\) of the Act](#). In such cases, the applied interest shall not exceed four percent per annum:

1. In cases of the national property: the payment date of the purchase price is extended within one year or the purchase price is paid in installments within 20 years;
2. In cases of the public property: the payment date of the purchase price is extended or the purchase price is paid in installments, as prescribed by Municipal Ordinance.

(7) Rents and sales of national or public properties under [Article 16 of the Act](#) shall be governed by the [State Properties Act](#) and the Public Property and Commodity Management Act except as otherwise provided for in the Act and this Decree.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 17 (Preferential Assistance in Infrastructure)

(1) The infrastructure to which the State or local governments are required to provide preferential assistance under [Article 18 of the Act](#) shall be as follows:

1. National expressways, general national highways, Special Metropolitan City highways, Metropolitan City highways, local highways and State-supported local highways, which all link free economic zones with outside areas;
2. Principal roads inside free economic zones;
3. Railway, subway, airport and harbor facilities;

4. Parks and green areas;
5. Utility tunnels, tap-water and sewage systems and waste-disposal facilities;
6. Other infrastructure in need of preferential support and the Committee resolves after deliberation to support it for the purpose of revitalizing free economic zones.

(2) The State may financially support infrastructure referred to in each subparagraph of paragraph (1) within 50/100 of the construction cost: *Provided*, That in the event that it is deemed necessary to revitalize free economic zones, the State may subsidize up to the total amount of the construction cost after undergoing the Committee's deliberation and resolution, exceeding 50/100 of the construction cost.

(3) The State shall, in cases where it provides financial support under paragraph (2), determine infrastructures subject to the financial support and the scope of the financial support after undergoing deliberation and resolution by the Committee.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 18 (Provision of Foreign-Language Services)

(1) The foreign-language services rendered under [Article 20 \(1\) of the Act](#) shall be provided in English in principle and if deemed necessary, other foreign-language services may be rendered.

(2) The scope of foreign-language services under [Article 20 \(1\) of the Act](#) shall be as follows:

1. Acts and subordinate statutes governing the designation and operation of free economic zones;
2. Plans for developing free economic zones;
3. Various official business manuals and information materials compiled by administrative agencies in connection with the development project;
4. Documents sent out to foreigners (including organizations of foreigners; hereinafter the same shall apply) in free economic zones;
5. Replies to civil petitions filed by foreigners in free economic zones;
6. Handling of queries and complaints from foreigners and counseling for foreigners in free economic zones;
7. Various publications and public notices made under this Act;
8. Other matters deemed necessary to ensure the conveniences of foreigners and publicly notified by the Minister of Knowledge Economy.

(3) Administrative agencies concerned shall, if requested by foreigners in free economic zones, translate materials under each subparagraph of paragraph (2) into English and provide foreigners with them and such administrative agencies may, if deemed necessary, render interpretation services.

(4) For the purpose of rendering foreign-language services under the subparagraphs of paragraph (2), administrative agencies concerned shall place necessary professionals, including interpreters, translators, etc., and compile and keep relevant materials, etc.

(5) Administrative agencies concerned may, if requested by foreigners in free economic zones, assist with their handling of civil-petition affairs, including preparation and submission, etc. of their civil petitions.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 19 (Payment in Ordinary Transactions)

The price in ordinary transaction in any free economic zone under [Article 21 of the Act](#), the amount of which is not more than USD 10,000 per transaction, may be paid directly by means of foreign exchange between the parties to such ordinary transaction.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 20 (Appointment of Foreign Teachers, etc.)

(1) Qualifications for foreign teachers appointed to teach the curriculum of international high schools under [Article 22 \(7\) of the Act](#) (hereinafter referred to as "international high school") shall be as follows:

1. Persons who satisfy the qualification standards for middle-school teachers provided for in [Article 21 \(2\) and attached Table 2 of the Elementary and Secondary Education Act](#);
2. Persons who have taught for not less than three years after obtaining teaching qualifications in accordance with laws of their countries.

(2) Any person authorized to appoint teachers may, if it is necessary to administer the curriculum of an international high school, appoint any foreigner as a lecturer.

(3) The qualifications referred to in each subparagraph of paragraph (1) shall apply to qualifications for appointment of foreign lecturers under paragraph (2): *Provided*, That any foreigner who has earned a bachelor's degree or higher in accordance with laws of his/her country shall be deemed to meet the qualifications.

(4) In the event that any foreigner falling under the proviso to paragraph (3) is appointed as a lecturer, he/she shall undergo training for not less than one week, which is conducted by the head of the relevant international high school, within six months from the date of his/her appointment.

(5) The foreign teachers referred to in paragraph (1) shall be contracted every five years and they may teach only mother languages of their countries and subjects deemed necessary by the head of the international high school. The term of appointment for foreign lecturers under paragraph (2) shall be not

more than one year and the term of appointment for them may, if necessary, be extended within three years.

(6) Foreign teachers and lecturers may be remunerated in accordance with their respective employment contracts, taking into account [Article 5](#) and attached Table 11 of the Rules on the Remuneration of Public Officials.

(7) The services of foreign teachers and lecturers shall be governed by their respective employment contracts.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 20-2 (Scales, etc. of Capital of Corporations under Commercial Act Aiming at Medical Practice)

(1) The scale of capital of a corporation under the [Commercial Act](#) to be established by a foreigner under [Article 23 \(1\) of the Act](#) in a free economic zone for the purpose of medical practice shall be five billion won or more.

(2) Provisions concerning capital under the [Commercial Act](#) shall apply to matters concerning capital in paragraph (1).

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 20-3 (Scope of Business Incidental to Medical Institutions)

"Incidental businesses prescribed by Presidential Decree, such as establishment and management of a therapeutic hot spring under [Article 9 of the Hot Spring Act](#)" in the main sentence of [Article 23-2 of the Act](#) means business in the following subparagraphs:

1. Public bath business under [Article 2 \(1\) 3 of the Public Health Control Act](#);
2. Establishment and management of a therapeutic hot spring under [Article 9 of the Hot Spring Act](#);
3. Tourist accommodation business under [Article 3 \(1\) 2 of the Tourism Promotion Act](#), tourist-use facility business under subparagraph 3 of the same paragraph and international conference service under subparagraph 4 of the same paragraph.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 20-4 (Requirements for Permission for Casino Business for Foreign Investors)

"Matters prescribed by Presidential Decree, such as status of credit of investors" in [Article 23-3 \(1\) 3 of the Act](#) means the following matters: *<Amended by Presidential Decree No. 21765, Oct. 1, 2009>*

1. That the credit rating received from two or more credit information business permitted by the Financial Services Commission on the credit rating business under [Article 4 of the Use and Protection of Credit Information Act](#), or from a foreign credit rating agency internationally accredited shall be an investment-grade level or higher;
2. That the investment plan under [Article 20-5 \(1\) 3](#) shall include matters prescribed in any of the following items:
 - (a) Contents that three or more types of tourism business under [Article 3 of the Tourism Promotion Act](#), including hospitality business, shall be operated;
 - (b) Contents that 300 million U.S. dollars or more shall be invested by not later than the time the commencement of casino business is reported under [Article 20-6 \(2\)](#) and total 500 million U.S. dollars or more shall be invested by not later than two years after the commencement of business;
3. That facilities to be used for business facilities under [Article 20-6 \(1\)](#), which fall under any of the following items shall be ready at the time permission for casino business is applied:
 - (a) Hospitality business: Facilities that have been determined as a five-star hotel under [Article 22 of the Enforcement Decree of the Tourism Promotion Act](#);
 - (b) International conference service: Facilities registered under [Article 4 of the Tourism Promotion Act](#).

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 20-5 (Application, etc. for Permission for Casino Business)

(1) Any person who intends to apply for permission for casino business under [Article 23-3 \(2\) of the Act](#) shall submit an application (including an application via electronic documents) for permission for foreigner-invested casino business prescribed by Ordinance of the Ministry of Knowledge Economy together with documents (including electronic documents) in the following subparagraphs to the Minister of Culture, Sports and Tourism:

1. Documents issued by the government of the country concerned or by an agency commissioned or delegated with the authority or affidavits of the applicant attested by a notary public and confirmed by the consulate of the Korean mission stationed in the country concerned under the [Act on Notarial Acts Done at Overseas Diplomatic and Consular Missions](#), which authenticate that the applicant does not fall under any subparagraph of [Article 7 \(1\) of the Tourism Promotion Act](#) and the subparagraphs of [Article 22 \(1\)](#) of the same Act;
2. Documents verifying that the applicant meets requirements for permission under [Article 23-3 \(1\) of the Act](#), and subparagraphs 1 and 3 of [Article 20-4](#) of this Decree;
3. Investment plans (including plans for raising fund, which clearly state investment period, agreement of investment, etc.);

4. Plans for operating the casino;
5. Articles of incorporation and certified transcript of corporate register (limited to cases of a corporation).

(2) When any person who has obtained permission for casino business under [Article 23-3 \(1\) of the Act](#) intends to amend an investment plan under paragraph (1) 3, he/she shall consult with the Minister of Culture, Sports and Tourism.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 20-6 (Places of Casino Business, Timing to Commence Business, etc.)

(1) The place of casino business under [Article 23-3 \(3\) of the Act](#) shall be located in the free economic zone in which foreign investment (referring to foreign investment under [Article 2 \(1\) 4 of the Foreign Investment Promotion Act](#)) is conducted, and shall be located in facilities incidental to hospitality business (limited to facilities that have been determined as a five-star hotel) under [Article 2 \(1\) 2 of the Enforcement Decree of the Tourism Promotion Act](#) or the international convention facility business under subparagraph 4 (a) of the same paragraph invested by an applicant for permission for casino business.

(2) Any one intends to commence casino business shall submit a report on commencement of business prescribed by Ordinance of the Ministry of Knowledge Economy (including reports in electronic documents) together with documents (including reports in electronic documents) in the following subparagraphs to the Minister of Culture, Sports and Tourism, as prescribed in [Article 23-3 \(3\) of the Act](#):

1. Details of facilities and instruments installed under [Article 23 \(1\) of the Tourism Promotion Act](#);
2. Documents evidencing that 300 million U.S. dollars or more have been invested in tourism business according to details of investment plans under [Article 20-5 \(1\) 3](#).

(3) Each person who has been granted permission for casino business shall submit documents evidencing that 500 million U.S. dollars or more have been invested in tourism business to the Minister of Culture, Sports and Tourism according to details of investment plans under [Article 20-5 \(1\) 3](#) within 30 days from the date two years elapse from the commencement of business.

(4) Documents evidencing investment under paragraphs (2) 2 and (3) shall be prescribed by Ordinance of the Ministry of Knowledge Economy.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 21 (Retransmission of Foreign Broadcasts)

The number of channels for foreign broadcasts which any CATV broadcasting business may retransmit under [Article 24 of the Act](#) shall not exceed 30/100 of the television broadcasting channels, radio broadcasting channels and data broadcasting channels under operation, respectively.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 21-2 (Standards, etc. for Supplying Rental Houses for Foreigners' Exclusive Use)

(1) Any person who intends to lease a rental house exclusively for foreigners' use (hereinafter referred to as "rental house for foreigners' use") under [Article 24-2 \(1\) of the Act](#) (hereinafter referred to as "rental housing business operator") shall have a person falling under any of the following subparagraphs as the other party to a lease contract:

1. Foreigners;
2. Foreign-invested enterprises, foreign educational institutions and foreign medical institutions.

(2) Each rental housing business operator shall select a lessee based on matters falling under any of the following subparagraphs, and determine the methods of selection in advance and obtain approval from the head of a free economic zone where a rental house concerned is located (hereafter referred to as "head of administrative body concerned" in this Article):

1. Any person falling under paragraph (1) 1: Period of residence in Korea and number of dependent family members;
2. Any person falling under paragraph (1) 2: Scale of investment, timing of investment and number of employees.

(3) Each rental housing business operator shall calculate key money for lease or rent based on costs of construction of rental house exclusively for foreigners' use and its incidental facilities, the level of key money for lease or rent of neighboring areas of the relevant rental house exclusively for foreigners' use, depreciation costs, repair and maintenance costs, etc., and obtain approval from the head of the administrative body concerned prior: *Provided*, That in cases of building a rental house exclusively for foreigners' use by receiving financial assistance from the State or local governments or assistance of national housing fund under [Article 63 of the Housing Act](#), standards publicly notified by the Minister of Knowledge Economy shall apply.

(4) Where a rental housing business operator intends to convert a rental house exclusively for foreigners' use into the object subject to sale in lots after the lapse of ten years from the commencement date of rent, he/she shall prepare a plan for sale in lots by preferentially considering those who have resided in the rental house concerned at the time of conversion for sale in lots, and obtain approval from the head of the administrative body concerned.

[This Article Newly Inserted by Presidential Decree No. 21656, Jul. 30, 2009]

Article 22 (Matters Subject to Committee's Deliberation and Resolution)

"Matters prescribed by Presidential Decree" in [Article 25 \(2\) 7 of the Act](#) means matters falling under any of the following subparagraphs:

1. Matters concerning prevention of illegal circulation of foreign currencies in free economic zones;
2. Matters concerning prevention of rampant and unplanned development and measures to stabilize prices of real estate in free economic zones;
3. Matters concerning the criteria for installation, etc. for the structures within the sports facilities under [Article 9-3 of the Act](#);
4. Matters concerning financial support by the State for local governments under [Article 16 \(3\) of the Act](#);
5. Other matters recognized as necessary for improving management conditions and living environment for foreigners and publicly notified by the Committee.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 23 (Members)

(1) The Minister of Strategy and Finance, the Minister of Education, Science and Technology, the Minister of Foreign Affairs and Trade, the Minister of Public Administration and Security, the Minister of Culture, Sports and Tourism, the Minister for Food, Agriculture, Forestry and Fisheries, the Minister for Health, Welfare and Family Affairs, the Minister of Environment, the Minister of Labor, and the Minister of Land, Transport and Maritime Affairs shall be *ex officio* members provided for in [Article 25 \(5\) of the Act](#).

(2) Commissioned members provided for in [Article 25 \(6\) of the Act](#) shall be commissioned from among experts in the areas of labor, environment, foreign investment, logistics, urban policy, etc. which are all related to free economic zones.

(3) The term of office for the commissioned members under paragraph (2) shall be two years and members may be recommissioned only once.

(4) In the event that the position of a commissioned member is vacant, a new member shall be commissioned to fill the vacancy and the term of his/her office shall be reckoned from the date on which he/she is commissioned.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 24 (Operation of Committee)

(1) The chairperson shall represent the Committee and exercise overall control of the Committee's affairs.

(2) The vice chairperson shall assist the chairperson and perform the chairperson's duties when the chairperson is unable to perform his/her duties due to inevitable circumstances.

(3) The chairperson shall convene meetings of the Committee and preside over such meetings.

(4) The chairperson shall, when he/she convenes a meeting of the Committee, notify in writing each member of the date, place and objectives, etc. of the meeting by not later than three days prior to the meeting: *Provided*, That the same shall not apply to cases of emergency.

(5) The Committee's meetings shall open with the attendance of a majority of all the incumbent members and its resolution shall require the consent of a majority of those present.

(6) The Committee shall have one secretary in charge of administrative affairs and the secretary shall be appointed by the Minister of Knowledge Economy from among public officials belonging to divisions prescribed by Ordinance of the Ministry of Knowledge Economy.

(7) Details necessary for operation, etc. of the Committee, other than those prescribed in paragraphs (1) through (6) shall be prescribed by the chairperson upon resolution by the Committee.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 25 (Hearings of Opinions)

(1) The head of any central administrative agency, who is not an *ex officio* member may, if necessary, attend any meeting of the Committee to state his/her opinion.

(2) The Committee may, if deemed necessary for deliberation, have the Mayor/Do Governor having jurisdiction over the relevant free economic zone and any other interested person appear at the meeting of the Committee to hear his/her opinion.

(3) The Mayor/Do Governor may attend the meeting of the Committee to state his/her opinion on the designation and operation, etc. of the relevant free economic zone.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 26 (Allowances)

Members and relevant experts who appear at any meeting of the Committee may be paid allowances within budgetary limits: *Provided*, That the same shall not apply to cases of public officials who appear at any meeting of the Committee in direct connection with their official duties.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 27 (Duties, etc.)

(1) The Minister of Knowledge Economy may, if deemed necessary to perform duties concerning designation and operation of free economic zones, request the relevant administrative agencies to dispatch public officials, and the relevant institutions, organizations, etc. to dispatch their officers or employees.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 28 (Administrative Body of Free Economic Zone)

(1) The administrative body under [Article 27-2 \(1\) of the Act](#) (hereinafter referred to as "administrative body") shall perform administrative affairs delegated by the State, administrative affairs delegated by the Special Metropolitan City, the Metropolitan City or *Do* having jurisdiction over the relevant free economic zone and administrative affairs under [Article 27 of the Act](#) in accordance with Municipal Ordinances or Municipal Rules.

(2) The Mayor/*Do* Governor shall, when he/she intends to establish the administrative body, determine the timing for establishing such administrative body, taking into account the level of development of the relevant free economic zone, administrative demands arising in the relevant free economic zone, the increasing number of permanent residents in the relevant free economic zone, etc.

(3) Where the Mayor/*Do* Governor intends to appoint the head of the administrative body under [Article 27-2 \(2\) of the Act](#), he/she shall preferentially consider a person falling under any of the following subparagraphs:

1. Any person who has experience in taking charge of duties related to free economic zones;
2. Any person who has an experience in the development of cities, logistics or social infrastructure;
3. Any person who has experience in inducing foreign-invested enterprises or foreign capital.

(4) The head of any administrative body may, if necessary for the development projects for the relevant free economic zone, request relevant administrative agencies or relevant institutions and organizations to dispatch their public officials, executives or employees.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 28-2 (Entrustment, etc. of Appointment Authority)

(1) The Mayor/*Do* Governor shall delegate authority falling under any of the following subparagraphs to the head of the administrative body under [Article 27-4 \(1\) of the Act](#):

1. Transfer rights on the public officials in general services belonging to administrative bodies;
2. Rights to appoint the public officials of technical and contractual services belonging to administrative bodies.

(2) The Mayor/*Do* Governor shall consult in advance with the head of the administrative body before transferring or dispatching public officials in general services under his/her control to the administrative body.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 29 (Functions, etc. of Ombudsmen)

(1) Each ombudsman provided for in [Article 28 \(1\) of the Act](#) shall be commissioned by the Mayor/*Do* Governor from among persons who have profound experience in the business of foreign investment and are proficient in foreign languages.

(2) The term of office for each ombudsman shall be three years, and he/she may be reappointed three times only.

(3) Each ombudsman shall perform duties falling under any of the following subparagraphs:

1. Helping solve problems that foreigners and located foreign-invested enterprises face;
2. Gathering information on impediments to the business of located foreigninvested enterprises;
3. Gathering information on problems in living conditions for foreigners located in a free economic zone;
4. Devising ways to solve problems referred to in subparagraphs 2 and 3, and proposing administrative agencies concerned for implementing such ways.

(4) Each ombudsman may request administrative agencies concerned or organizations concerned for cooperation in performing his/her duties under paragraph (3) and in such cases, the administrative agencies concerned and organizations concerned shall, upon receiving such request, notify the ombudsman of their opinions within seven days from the date of the request.

(5) Each ombudsman shall closely cooperate with foreign-investment ombudsmen provided for in [Article 15-2 of the Foreign Investment Promotion Act](#) to efficiently solve problems that located foreign-invested enterprises face.

(6) Each ombudsman shall analyze, each quarter, his/her records of resolving impediments and report the results thereof to the Committee within one month after completion of each quarter.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 30 (Inappropriate Types of Business, etc.)

(1) "Type of business or facilities prescribed by Presidential Decree" in [Article 29 \(1\) of the Act](#) means the type of business or facilities falling under any of the following subparagraphs:

1. Types of business or facilities that undermine a comfortable residential environment;
2. Types of business or facilities that are harmful to air, soil and marine environment;

3. Types of business or facilities that may impede the inducement of foreign investments by harming the corporate environment or conditions of living;
 4. Types of business or facilities that are determined to be significantly low in its contribution to the development of the national economy in technology transfer or job creation, etc.
- (2) The Minister of Knowledge Economy may, if he/she orders the relevant enterprise to suspend its business or shut down relevant facilities in accordance with [Article 29 \(2\) of the Act](#), arrange any industrial complex as an alternative location for the type of business or facilities which can be located in such industrial complex, after consulting with the authorized manager or the management institution of such industrial complex provided for in [Article 30 of the Industrial Cluster Development and Factory Establishment Act](#).

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 31 (Delegation of Authority)

- (1) The heads of central administrative agencies shall delegate their authority falling under any of the following subparagraphs to the Mayor/ Do Governor under [Article 30 of the Act](#):
1. Announcement in the official gazette of the details of change in plans for developing free economic zones under [Article 7-2 \(1\) or \(2\) of the Act](#) and of the details of amendments under paragraph (4) of the same Article, which concern insignificant matters under paragraph (3) of the same Article;
 2. Approval and approval for changes in implementation plans under [Article 9 \(1\) of the Act](#): *Provided*, That the same shall not apply to implementation plans falling under any of the following items:
 - (a) Cases of approval for, or approval for amendments to implementation plans due to amendments to plans for developing free economic zones not falling under insignificant matters provided for in [Article 6 \(3\)](#);
 - (b) Cases where the assistance from the State under [Article 18 of the Act](#) is included in the financial plan under [Article 8 \(2\) 4](#);
 - (c) Cases where the details of supplying created at a price below the cost of creation are included under [Article 9-7 \(2\) land of the Act](#);
 3. Announcement in the official gazette of approval for, or approval for amendments to implementation plans under [Article 9 \(1\) of the Act](#) and approval, or approval for amendments under [Article 10 \(1\) of the Act](#), which concern implementation plans meeting the standards under the proviso to [Article 9 \(2\) of the Act](#);
 4. Consultation with the head of relevant administrative agency under [Article 11 \(2\) of the Act](#), which concerns implementation plans meeting the standards under the proviso to [Article 9 \(2\) of the Act](#);
 5. Announcement in the official gazette of approval to make changes to an implementation plan under [Article 9 \(1\) of the Act](#) and of approval to make changes under [Article 10 \(1\) of the Act](#), which concern insignificant matters under the proviso to [Article 9 \(2\) of the Act](#);
 6. Consultation with the head of relevant administrative agency under [Article 11 \(2\) of the Act](#), which concerns insignificant matters under the proviso to [Article 9 \(2\) of the Act](#);
 7. Extension of the deadline for commencing the development project under the proviso to [Article 12 \(1\) of the Act](#);
 8. Inspection on completion of works under [Article 14 \(1\) of the Act](#) and permission for use of land, etc. before inspection on completion of works under the proviso to paragraph (3) of the same Article;
 9. Registration of any foreigner-only pharmacy provided for in [Article 23 \(2\) of the Act](#);
 10. Announcement of any inappropriate type of business, etc. under [Article 29 \(1\) of the Act](#), business suspension of any inappropriate type of business, etc. or an order to shut down any facility under paragraph (2) of the same Article, hearings provided for in paragraph (3) of the same Article and the vicarious execution provided for in paragraph (4) of the same Article.
- (2) When the Mayor/Do Governor has performed the duties delegated under paragraph (1) 1 through 6, he/she shall send copies of the relevant documents to the Minister of Knowledge Economy.
- (3) "Duties prescribed by Presidential Decree" provided for in [Article 30 \(2\) of the Act](#) means the approval of implementation plans or approval to make changes thereto.

[This Article Wholly Amended by Presidential Decree No. 21656, Jul. 30, 2009]

Article 32 Deleted. <by Presidential Decree No. 20937, Jul. 24, 2008>

ADDENDA

- (1) (Enforcement Date) This Decree shall enter into force on July 1, 2003.
- (2) *Deleted.* <by Presidential Decree No. 18816, Apr. 28, 2005>

ADDENDA <Presidential Decree No. 18548, Sep. 17, 2004>

Article 1 (Enforcement Date)

This Decree shall enter into force on the date of its promulgation. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Presidential Decree No. 18816, Apr. 28, 2005>

(1) (Enforcement Date) This Decree shall enter into force on the date of its promulgation.

(2) (Transitional Measures concerning Restriction on Acts within Districts of Development Projects) Any person who has commenced activities under the amended provisions of Article 8-2 (1) of the amended Act by obtaining permission or authorization (including cases where it is not necessary to obtain permission or authorization under the related Acts and subordinate statutes) under the related Acts and subordinate statutes as at the time of enforcement of the amended Act, under Article 4 (2) of the Addenda to the amended Act from among the [Act on Designation and Management of Free Economic Zones](#) (Act No. 7349) (hereinafter referred to as the "amended Act") shall file a report with the competent Mayor/Do Governor on plans for relevant activities and the status of progress within three months from the date on which this Decree enters into force.

ADDENDA <Presidential Decree No. 20529, Jan. 8, 2008>

Article 1 (Enforcement Date)

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

Article 2 (Applicability concerning Insignificant Matters, etc.)

The amended provisions of [Articles 6, 9 \(2\), 10, 12-3 and 31](#) shall apply beginning from the first plan for developing a free economic zone or the first implementation plan that is requested for amendments or applied for approval of amendments after this Decree enters into force.

ADDENDUM <Presidential Decree No. 20655, Feb. 29, 2008>

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

ADDENDA <Presidential Decree No. 20937, Jul. 24, 2008>

Article 1 (Enforcement Date)

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

Article 2 (Applicability concerning Calculation of Changed Size)

The amended provisions of [Articles 6 \(3\) and 10 \(4\)](#) shall apply beginning from the first plan for developing a free economic zone or the first implementation plan that is requested for amendments or applied for approval of amendments after this Decree enters into force.

Article 3 (Applicability concerning Liability for Installation Expenses of Electricity Facilities)

The amended provisions of subparagraph 3 of [Article 14-2 \(3\)](#) shall also apply to cases where the relation of liability for installment expenses for main electricity facilities has not been established as at the time when this Decree enters into force.

[This Article Newly Inserted by Presidential Decree No. 21656, Jul. 30, 2009]

ADDENDA <Presidential Decree No. 21185, Dec. 24, 2008>

Article 1 (Enforcement Date)

This Decree shall enter into force on January 1, 2009. (Proviso Omitted.)

Articles 2 through 5 Omitted.

ADDENDUM <Presidential Decree No. 21626, Jul. 7, 2009>

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

ADDENDA <Presidential Decree No. 21641, Jul. 27, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 31, 2009. (Proviso Omitted.)

Articles 2 through 15 Omitted.

ADDENDA <Presidential Decree No. 21656, Jul. 30, 2009>

Article 1 (Enforcement Date)

This Decree shall enter into force on July 31, 2009.

Article 2 Omitted.

ADDENDA <Presidential Decree No. 21765, Oct. 1, 2009>

Article 1 (Enforcement Date)

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

Articles 2 through 5 Omitted.
