

FRAMEWORK ACT ON THE SAFETY OF PRODUCTS

Act No. 10028, Feb. 4, 2010
Amended by Act No. 11437, May 23, 2012
Act No. 11690, Mar. 23, 2013
Act No. 13092, Jan. 28, 2015
Act No. 13314, May 18, 2015
Act No. 13859, Jan. 27, 2016
Act No. 14673, Mar. 21, 2017
Act No. 15182, Dec. 12, 2017
Act No. 15508, Mar. 20, 2018
Act No. 16803, Dec. 10, 2019

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to prescribe basic matters necessary to ensure the safety of products so as to contribute to the improvement of the quality of life for citizens and the development of the national economy by protecting the lives of citizens and preventing any damage to their health and property.

Article 2 (Fundamental Concepts)

The fundamental concepts of this Act are to confirm that it is the basic duty of the State and local governments to ensure product safety and minimize any damage that occurs in cases of danger or harm caused by products, and to ensure that citizens lead lives in a society safe from any risk associated with products by guiding all citizens and the State and local governments to consider safety as their priority while engaging in activities associated with the manufacture, assembling, processing, import, sale, lending, or use of products.

Article 3 (Definitions)

The definitions of the terms used in this Act are as follows:

1. The term "product" means any article, or component part or accessory thereof, which is ultimately intended for use by a consumer;

2. The term "business entity" means any person who engages in manufacture, assembling, or processing (hereinafter referred to as "manufacture") or import, sale, or lending (hereinafter referred to as "distribution"), of products;
3. The term "safety inspection" means all activities concerning the inspection, examination, or assessment of defects in the manufacture, design, description, etc. of products to prevent risks of danger or harm to health, safety, or property which may be caused by such products.

Article 4 (Responsibilities of the State)

- (1) The State and local governments shall have the duty to formulate and implement policies concerning the safety of products (hereinafter referred to as "product safety policy") so that citizens may use products safely.
- (2) In formulating and implementing a product safety policy, the State and local governments shall give priority to taking into consideration the prevention of any risk of danger or harm to health, safety, or property of consumers and the safety of groups particularly vulnerable to risks such as children, the aged, the weak, and people with disabilities.
- (3) The State shall endeavor to establish or revise and enforce the standards or specifications for the manufacture, use, etc. of products to verify the safety of products (hereinafter referred to as "safety standards") in a manner consistent with international standards.
- (4) Business entities shall have the duty to manufacture or distribute safe products and to verify the safety of products which are manufactured or distributed.

Article 5 (Citizen's Right)

Every citizen shall have the right to participate in the formulation and implementation of a product safety policy by the State or relevant local government and to use safe products.

Article 6 (Relationship to Other Acts)

Except as otherwise provided for in other Acts, this Act shall apply to the safety of products.

CHAPTER II ESTABLISHMENT OF COMPREHENSIVE PLANS FOR PRODUCT SAFETY MANAGEMENT

Article 7 (Establishment of Comprehensive Plans for Product Safety Management)

- (1) The Government shall establish a comprehensive plan for product safety management (hereinafter referred to as "comprehensive plan") every three years.
- (2) A comprehensive plan shall include the following matters:
 1. Objectives and basic direction-setting of product safety policy;

2. Matters relating to the creation of a foundation to ensure the safety of products;
 3. Matters relating to the prevention of incidents involving products and the establishment of measures therefor;
 4. Matters relating to the safety management of imported products and new kinds of products;
 5. Matters relating to research on product safety and the development of related technology;
 6. Matters relating to the rationalization of regulation on product safety;
 7. Matters relating to the system to share information on product safety;
 8. Matters relating to cooperation with international organizations or foreign countries concerning product safety;
 9. Matters relating to measures for the safety of groups particularly vulnerable to risks, such as children, the aged, the weak, and people with disabilities, with respect to their use of products;
 10. Other matters necessary to ensure product safety.
- (3) Upon establishment of a comprehensive plan, the head of a central administrative agency shall submit it to the Consumer Policy Committee under Article 23 of the Framework Act on Consumers.
- (4) The head of a central administrative agency shall make efforts to give priority to securing personnel and funds necessary to promote a comprehensive plan.
- (5) Matters necessary for the establishment and implementation of comprehensive plans shall be prescribed by Presidential Decree.

Article 7-2 (Product Safety Policy Council)

- (1) There shall be established under the control of the Prime Minister a Product Safety Policy Council (hereinafter referred to as the "Policy Council") to discuss the following matters concerning product safety:
1. Formulation and implementation of a comprehensive plan;
 2. Cooperation among related government agencies to restrict the importation and distribution of illegal or defective products;
 3. Coordination of the designation of the competent government agency on the product for which measures for prior safety management or ex-post market management are necessary;
 4. Other important matters regarding the product safety that are submitted to its meetings by the chairperson.
- (2) A person appointed by the Prime Minister, from among public officials at the vice-ministerial level in the Office for Government Policy Coordination, shall serve as the chairperson of the Policy Council; and members of the Senior Executive Service of central administrative agencies prescribed by Presidential Decree shall serve as members of the Policy Council.
- (3) The Policy Council shall have one secretary among senior executives of the Ministry of Trade, Industry and Energy.

(4) There shall be established in the Policy Council a working council to efficiently manage the Policy Council.

(5) Other matters necessary for organizing and operating the Policy Council and the working council shall be prescribed by Presidential Decree.

Article 8 (Production of Statistics on Product Incidents)

(1) If necessary for formulating, etc. a comprehensive plan, the head of a central administrative agency may compile and manage statistics on product incidents or defective products.

(2) The scope of statistical surveys and survey targets under paragraph (1) shall be prescribed by Presidential Decree.

(3) Except as otherwise expressly provided for in this Act, the relevant provisions of the Statistics Act shall apply mutatis mutandis to compiling and managing statistics under paragraph (1).

CHAPTER III MEANS TO ENSURE PRODUCT SAFETY

Article 9 (Safety Inspections)

(1) Where a product distributed in the market falls under any of the following, the head of a central administrative agency may conduct a safety inspection of the product to ascertain whether it is likely to cause danger or harm: <Amended by Act No. 11437, May 23, 2012; Act No. 13092, Jan. 28, 2015; Act No. 13859, Jan. 27, 2016>

1. Where the product is subject to safety management under the Electronic Appliances and Consumer Products Safety Control Act;
2. Where the product causes or is likely to cause danger or harm to health, safety or property of consumers due to any defect in the manufacture or design of, or description, etc. on, the product;
- 2-2. Where the product causes or is likely to cause danger or harm to health, safety, or property of consumers due to its technical or structural characteristics;
3. Where a business entity or another business entity in a foreign country takes a measure referred to in any subparagraph of Article 13 (3) in the foreign country due to danger or harm caused by the product;
4. Where it is necessary to assess whether the product meets safety standards prescribed by the relevant statutes;
5. Where it is necessary to ensure the product safety.

(2) Where the head of a central administrative agency conducts a safety inspection, he or she shall retain the details and findings of such inspection, and may allow inspection thereof at the request of the business entity of the relevant product or consumers. <Amended by Act No. 13092, Jan. 28, 2015>

(3) Detailed matters regarding the methods and procedures for a safety inspection and retaining, inspection, etc. of details and findings of an inspection under paragraph (2) shall be prescribed by Presidential Decree.

Article 9-2 (Consumers' Requests for Safety Inspections)

(1) Where at least a certain number of consumers prescribed by Presidential Decree request the head of a central administrative agency to conduct a safety inspection of products currently distributed in the market after meeting grounds for making a request, the scope of the request, and requirements prescribed by Presidential Decree, such as preparing certificates to identify consumers, the head of the central administrative agency shall comply with such request, except in any of the following cases:

1. Where the head of the central administrative agency has no ability to conduct a safety inspection on the level requested by consumers;
2. Where excessive numbers of requests for safety inspections substantially interfere with the performance of duties;
3. Where the same consumers make repeated requests for safety inspection for the same purpose;
4. Where a consumer's request for safety inspection is contrary to the public interest, such as where consumers make a request for safety inspection for the benefit of a specific business entity.

(2) Where the head of a central administrative agency complies with a request for safety inspection of the relevant product pursuant to paragraph (1), he or she shall conduct a safety inspection within 120 days and notify the consumer who requested the safety inspection of the findings therefrom, as prescribed by Presidential Decree. In such cases, he or she may recover expenses incurred in conducting the safety inspection from the consumer who requested the safety inspection, as prescribed by Presidential Decree.

Article 9-3 (Safety Inspection of Imported Products)

(1) Where any imported product at the stage of customs clearance is subject to safety management referred to in Article 9 (1) 1 or is such product as prescribed by Presidential Decree, the head of a central administrative agency may conduct a safety inspection of the imported product jointly with the Commissioner of the Korea Customs Service before procedures for customs clearance are completed.

(2) The head of a central administrative agency and the Commissioner of the Korea Customs Service may share information prescribed by Presidential Decree, such as information on business entities who distribute illegal or defective products, to conduct safety inspections of imported products pursuant to paragraph (1).

(3) Where the head of a central administrative agency conducts a safety inspection of an imported product, he or she shall preserve the details and findings of such inspection and shall allow the business entity of such product to inspect such details or findings.

(4) Where any imported product prior to customs clearance is found to fall under any of the following as a result of a safety inspection, the head of a central administrative agency may request the Commissioner of the Korea Customs Service to take measures necessary to return, destroy, or improve such imported product: Provided, That with respect to any product which is cleared at customs, the head of a central administrative agency may recommend the collection, etc. of such product pursuant to Article 10 or issue

an order for a product recall, etc. pursuant to Article 11:

1. Where a product fails to meet the requirements prescribed by individual statutes;
2. Where there is a reasonable reason to believe that any significant defect of a product causes or is likely to cause harm to health, safety, or property of consumers.

(5) The methods of, and procedures for, conducting safety inspections of imported products; retaining and inspection of details and findings of inspections referred to in paragraph (3); the measures taken based on the findings of inspections referred to in paragraph (4); and other matters necessary therefor, shall be prescribed by Presidential Decree.

Article 10 (Recommendations for Product Recalls)

(1) Where a product distributed in the market causes or is likely to cause danger or harm to health, safety, or property of consumers due to any defect in the manufacture, design, description, etc. of the product or technical or structural characteristics of the product, the head of a central administrative agency may recommend the business entity of the relevant product to recall, destroy, repair, exchange, refund, or improve the product; may prohibit the manufacture or distribution of the product; or may take other necessary measures (hereinafter referred to as "recall, etc."). *<Amended by Act No. 11437, May 23, 2012; Act No. 13092, Jan. 28, 2015>*

(2) Where the business entity in receipt of a recommendation under paragraph (1) fails to comply with such recommendation without just cause, the head of the competent central administrative agency may publish such fact.

(3) Where the business entity takes measures pursuant to the recommendation under paragraph (1), he or she shall report to the head of the competent central administrative agency the matters prescribed by Presidential Decree, such as the outcomes of taking measures.

(4) Matters necessary for recommendation for recall, etc. under paragraph (1), the publication thereof under paragraph (2), and giving a report under paragraph (3) shall be prescribed by Presidential Decree.

Article 11 (Product Recall Orders)

(1) The head of a central administrative agency may order a business entity to recall, etc. his or her products and publish such fact in accordance with the procedures prescribed by Presidential Decree, in any of the following cases: *<Amended by Act No. 13314, May 18, 2015>*

1. Where relevant product's danger or harm is confirmed as a result of a safety inspection;
2. Where a business entity in receipt of a recommendation under Article 10 (1) fails to comply with it without just cause;
3. Where there are reasonable grounds to believe that products distributed in the market cause or are likely to cause danger or harm to health, safety, or property of consumers due to any significant defects prescribed by Presidential Decree (hereinafter referred to as "significant defect") in their manufacture, design, description, etc.;

4. Where a product causes or is likely to cause harm to health, safety or property of consumers due to the change of parts, etc. of the relevant product after being certified, reported, verified, etc. prescribed by individual statutes.
- (2) A business entity who has taken measures as ordered under paragraph (1) shall report, to the head of the competent central administrative agency, the matters prescribed by Presidential Decree, such as the result of measures taken.
- (3) If a business entity fails to comply with an order issued under paragraph (1), the head of the competent central administrative agency may directly perform a recall, etc. of the relevant product. In such cases, expenses incurred in such recall, etc. may be collected from the business entity.
- (4) A business entity who receives an order for product recall, etc. shall take measures as ordered under paragraph (1) and shall not distribute the relevant product on the market: Provided, That the foregoing shall not apply where he or she has taken necessary measures, such as repairs or improvements. *<Newly Inserted by Act No. 14673, Mar. 21, 2017>*
- (5) Matters necessary for the orders for recalls, etc. and the publication thereof under paragraph (1); giving a report under paragraph (2); and measures and collection of expenses under paragraph (3) shall be prescribed by Presidential Decree. *<Amended by Act No. 14673, Mar. 21, 2017>*

Article 12 (Application for Cancellation of Recommendation)

- (1) Where a business entity who is recommended to recall, etc. the relevant product under Article 10 (1) or has an interest in products subject to recall, etc. according to an order for recall, etc. under Article 11 (1), is dissatisfied with such recommendation or order, he or she may file an application for the cancellation of such recommendation or order in whole or in part with the head of the competent central administrative agency within 30 days from the date he or she becomes aware that such recommendation or order is issued.
- (2) Upon receipt of an application under paragraph (1), the head of the competent central administrative agency shall decide whether to cancel in whole or in part the recommendation under Article 10 (1) or the order under Article 11 (1) within 30 days: Provided, That if, in extenuating circumstances where he or she cannot make such decision within said period, he or she may extend the period by up to 30 additional days.
- (3) A business entity who has filed an application pursuant to paragraph (1) may file an administrative appeal under the Administrative Appeals Act, regardless of the application under said paragraph.
- (4) Matters necessary for the procedures, methods, etc. for application under paragraph (1) shall be prescribed by Presidential Decree.

Article 13 (Business Entities' Duty to Recall Products)

- (1) Where a business entity discovers that his or her product distributed in the market causes or is likely to cause danger or harm to health, safety, or property of consumers due to any significant defect in the

product, he or she shall immediately report the details of such defect to the head of the competent central administrative agency and recall, etc. the relevant product, as prescribed by Presidential Decree.

(2) The business entity who has taken measures under paragraph (1) shall report to the head of the competent central administrative agency the matters prescribed by Presidential Decree, such as the outcomes of the recall, etc.

(3) Where a business entity has taken any of the following measures in a foreign country regarding the same product as his or her product distributed in the market by reason of danger or harm, or discovers that another business entity in a foreign country has taken such measures, he or she shall immediately report such fact to the head of the central administrative agency regulating the relevant product, as prescribed by Presidential Decree: Provided, That this shall not apply where the relevant business entity has recalled, etc. the relevant product pursuant to paragraph (1): <Newly Inserted by Act No. 11437, May 23, 2012>

1. Where the business entity has implemented measures, such as recall, etc., upon recommendation or order for recall, etc. from a foreign government;
2. Where the business entity has taken measures, such as recall, etc., voluntarily.

Article 13-2 (Business Entities' Duty to Report)

(1) Where a product distributed in the market causes any of the following accidents (excluding accidents prescribed by Presidential Decree, such as an accident that occurs due to user negligence; hereinafter referred to as "significant accident") irrespective of a significant defect in the product under Article 11 (1) 3, the relevant business entity shall report the matters prescribed by Presidential Decree, such as the name of the relevant product, the details of the accident, and the quantity sold, to the head of a central administrative agency immediately after he or she becomes aware of the significant accident: <Amended by Act No. 15182, Dec. 12, 2017>

1. A fatal accident;
2. An accident that caused an injury requiring at least four weeks' medical treatment in a medical institution under Article 3 (2) of the Medical Service Act;
3. A fire or explosion;
4. Other accidents prescribed by Presidential Decree, such as where the same product causes recurring accidents.

(2) Matters necessary for the procedures for reporting under paragraph (1) shall be prescribed by Presidential Decree.

Article 13-3 (Investigation of Accidents by Business Entities)

(1) Where the head of a central administrative agency in receipt of a report on a significant accident pursuant to Article 13-2 (1) deems it necessary to investigate such accident in consideration of the matters prescribed by Presidential Decree, such as the frequency of the accident and the level of harm caused by the accident, he or she may order the relevant business entity (referring to a manufacturer or importer;

hereafter in this Article, the same shall apply) to investigate the circumstances and causes of such accident to identify the causes of the accident.

(2) Where a business entity is ordered to investigate an accident under paragraph (1), he or she shall commence to investigate the accident within seven days.

(3) Where a business entity completes the investigation of an accident under paragraph (2), he or she shall immediately report the findings of such investigation to the head of the competent central administrative agency.

(4) Matters necessary for the methods and procedures for investigating an accident under paragraph (2) and reporting on the findings of the investigation under paragraph (3) shall be prescribed by Presidential Decree.

Article 14 (Whistleblowing)

(1) If a business entity conceals any significant defect of his or her product, knowing that such significant defect causes or is likely to cause danger or harm to health, safety, or property of consumers, a worker who engages in the business (hereinafter referred to as "worker") of the relevant business entity may report such fact to the head of the competent central administrative agency. *<Amended by Act No. 14673, Mar. 21, 2017>*

(2) No business entity shall give any disadvantageous treatment to the relevant worker on account of the report under paragraph (1). *<Amended by Act No. 14673, Mar. 21, 2017>*

(3) Any person who, on account of his or her report, is given any disadvantageous treatment with regard to his or her status may request the head of the competent central administrative agency to reinstate his or her status or take other necessary measures.

(4) If the above-mentioned request is deemed well-grounded as a result of an investigation, the head of the competent central administrative agency may demand that the relevant business entity take appropriate measures. In such cases, the business entity shall comply with such demand, except in extenuating circumstances.

Article 15 (Requests for Submission of Materials Related to Product Accidents)

(1) If an accident causes or is likely to cause danger or harm to health, safety, or property of consumers due to any defect in the manufacture, design, description, etc., of products distributed in the market, or technical or structural characteristics thereof, the head of the competent central administrative agency may request the relevant business entity or the head of each of the following agencies or institutions to submit materials related to the accident so as to ascertain the circumstances and causes of the accident and take necessary safety measures accordingly. In such cases, any person in receipt of a request to submit materials shall comply therewith, except in extenuating circumstances: *<Amended by Act No. 13092, Jan. 28, 2015>*

1. A relevant central administrative agency or local government;
 2. A public institution under Article 4 of the Act on the Management of Public Institutions;
 3. A consumer organization registered pursuant to Article 29 of the Framework Act on Consumers;
 4. A testing or inspection agency authorized pursuant to Article 23 of the Framework Act on National Standards;
 5. A medical institution under Article 3 (2) of the Medical Service Act (limited to data to ascertain the cause of an accident, such as the kind of product and the injured part);
 6. An insurance company under Article 2 of the Insurance Business Act (limited to data to ascertain the cause of an accident, such as the kind of product and the injured part);
 7. Other institutions prescribed by Presidential Decree which retain information about accidents caused by products.
- (2) To ascertain the circumstances and causes of product accidents under paragraph (1) scientifically and efficiently, the head of the competent central administrative agency may designate a legal entity or organization engaging in product safety-related work as a product accident investigation center to investigate the circumstances, causes, etc. of such product accidents, as prescribed by Presidential Decree.
- (3) The scope of materials that may be requested pursuant to paragraph (1), the methods and procedures for investigation under paragraph (2), and other necessary matters shall be prescribed by Presidential Decree.

Article 15-2 (Publication of Findings from Safety Inspections)

- (1) The head of a central administrative agency may publish the findings from a safety inspection under Article 9 (1) or the findings from the investigation of a product accident under Article 15 (2).
- (2) Where the head of a local government or the head of a public institution intends to conduct a safety inspection and publish the findings therefrom pursuant to another statute, he or she shall notify the head of a central administrative agency having jurisdiction over the relevant product of such fact in advance.
- (3) Matters necessary for publication, such as methods of publication under paragraph (1), shall be prescribed by Presidential Decree.

Article 15-3 (Inspection of Implementation of Product Recalls)

- (1) A business entity who has received recommendation or order for product recalls, etc. under Article 10 or 11 or who shall recall a product under Article 13 shall prepare a plan therefor and submit the plan to the head of a central administrative agency, as prescribed by Presidential Decree.
- (2) After a business entity has taken the measures under Article 10, 11, or 13 or has reported on the results thereof, the head of the central administrative agency may have a relevant public official or executive officer or employee of the Korean Institute of Product Safety established under Article 21-2 visit the business place of such business entity and inspect the status of implementation.

(3) A public official or executive officer or employee who visits the business place and conducts inspection under paragraph (2) shall carry an identification indicating his or her authority and show it to the relevant person.

(4) After inspection of the implementation status under paragraph (2), the head of the central administration agency may order the business entity deemed to have failed to faithfully implement the measures in accordance with the plan under paragraph (1) to make necessary supplementation.

(5) Matters necessary for the procedures and methods for preparing and submitting a plan, inspection of implementation and access, and orders for supplementation under paragraphs (1) through (4) shall be prescribed by Presidential Decree.

CHAPTER IV ESTABLISHMENT OF FOUNDATION FOR PRODUCT SAFETY MANAGEMENT

Article 16 (Establishment and Management of Product Safety Information Network)

(1) To formulate and implement a product safety policy and to prevent product accidents, the head of the competent central administrative agency may establish and manage a product safety information network for collecting and providing the following information: *<Amended by Act No. 13092, Jan. 28, 2015; Act No. 15182, Dec. 12, 2017>*

1. Details and findings of inspections under Article 9 (2);

2. Information on recommendations for recall, etc. under Article 10 and orders for recall, etc. under Article 11;

2-2. Information on recalls, etc. implemented by business entities pursuant to Article 13, and information reported by business entities pursuant to Article 13-2;

2-3. Details and findings of investigations under Article 13-3 (3);

3. Other information on product safety.

(2) The head of the competent central administrative agency shall share information collected under paragraph (1) with the heads of other relevant central administrative agencies.

(3) Matters necessary for establishing and managing the product safety information network under paragraph (1), sharing information under paragraph (2), etc. shall be prescribed by Presidential Decree.

Article 17 (Education, Training, and Publicity on Product Safety)

(1) The head of a central administrative agency may provide education and training programs to business entities and their workers and publicize necessary information to consumers so that such business entities, workers, and consumers can better understand product safety and voluntarily ensure product safety in the process of manufacturing, distributing, or using products. *<Amended by Act No. 14673, Mar. 21, 2017>*

(2) Methods of education, training, and publicity under paragraph (1), and other relevant details shall be prescribed by Presidential Decree.

Article 18 (Contributions to Product Safety Research)

(1) The head of a central administrative agency may contribute funds to the Korea Evaluation Institute of Industrial Technology under Article 39 of the Industrial Technology Innovation Promotion Act or other corporations or organizations that conduct affairs related to product safety prescribed by Presidential Decree to cover expenses incurred in research and technical development concerning product safety.
<Amended by Act No. 13092, Jan. 28, 2015>

(2) Matters necessary for the standards for payment, and use and management, of contributions under paragraph (1) shall be prescribed by Presidential Decree.

Article 19 (Cooperation with Organizations Related to Product Safety)

(1) To prevent product accidents, the head of the competent central administrative agency may conduct market monitoring and other business matters prescribed by Presidential Decree, in cooperation with corporations, organizations, etc. which engage in work related to consumers and product safety.

(2) To improve product safety, the Minister of Trade, Industry and Energy may formulate and implement policies necessary to promote cooperation among business entities, academic circles, and small, medium, and large enterprises, with respect to research on product safety, related technical development, publicity, etc. <Amended by Act No. 11690, Mar. 23, 2013>

Article 20 (International Cooperation)

The head of a central administrative agency may conduct the following projects to promote international cooperation with international organizations, foreign governments, and product safety-related institutions:

1. Exchange of information on product safety;
2. Exchange of professionals concerning product safety;
3. Participation in various international events, including international conferences concerning product safety;
4. Other projects deemed necessary to promote international cooperation concerning product safety.

Article 21 Deleted. <by Act No. 15508, Mar. 20, 2018>

CHAPTER IV-2 KOREAN INSTITUTE OF PRODUCT SAFETY

Article 21-2 (Establishment of Korean Institute of Product Safety)

(1) The Minister of Trade, Industry and Energy shall establish the Korean Institute of Product Safety (hereinafter referred to as "KIPS") to efficiently and systematically conduct affairs concerning the safety management of products.

- (2) KIPS shall be a corporation.
- (3) Except as otherwise provided for in this Act, the provisions concerning incorporated foundations under the Civil Act shall apply mutatis mutandis to KIPS.
- (4) KIPS shall be duly formed upon completion of registration for its establishment with the registry at the seat of its principal office.
- (5) No person, other than KIPS, shall use the name "Korean Institute of Product Safety" or a name similar thereto.
- (6) Other matters necessary for the articles of incorporation, organization, operation, etc. of KIPS shall be prescribed by Presidential Decree.

Article 21-3 (Activities of KIPS)

KIPS shall engage in the following:

1. Research, development, education, and publicity concerning the product safety management system;
2. Research and development for establishing and amending safety standards;
3. Publication and dissemination of materials related to safety standards;
4. Monitoring and investigation of illegal products and products with potential risks at the stages of importation and distribution;
5. Investigation of safety of products imported and distributed;
6. Inspection of implementation of product recalls, etc.;
7. Collection and analysis of information on product accidents and information on products with potential risks, and production and management of statistics thereon;
8. Investigation and analysis of product accidents and assessment of the level of risk;
9. Cooperation and support activities with enterprises, organizations, etc. to ensure product safety;
10. International cooperation concerning product safety management;
11. Affairs delegated under other statutes, such as the Electrical Appliances and Consumer Products Safety Control Act;
12. Other affairs delegated by the heads of related central administrative agencies.

Article 21-4 (Financial Resources for Operation)

- (1) KIPS shall be operated with fees for the performance of duties under subparagraphs 11 and 12 of Article 21-3 and other revenues.
- (2) The Minister of Trade, industry and Energy may subsidize KIPS to cover the expenses necessary for performing its duties.

Article 21-5 (Approval and Reporting)

- (1) KIPS shall prepare the following and obtain approval from the Minister of Trade, Industry and Energy, as prescribed by Presidential Decree:

1. A business plan;
 2. Estimates of revenue and expenditure.
- (2) KIPS shall report the following to the Minister of Trade, Industry and Energy, as prescribed by Presidential Decree:
1. Settlement of revenue and expenditure;
 2. Business performance;
 3. Matters concerning the performance of duties delegated by the Minister of Trade, Industry and Energy.
- (3) The Minister of Trade, Industry and Energy may control and supervise KIPS, as prescribed by Presidential Decree.

CHAPTER V SUPPLEMENTARY PROVISIONS

Article 22 (Operation of Supplementary Safety Standards)

With respect to the certification, investigation, etc. of products for which applicable safety standards do not exist or to which the existing safety standards are not applicable, the head of the competent central administrative agency may conduct such certification, investigation, etc. by establishing and applying separate safety standards.

Article 23 (Duty to Maintain Confidentiality)

(1) No person who falls or has fallen under any of the following shall divulge to anyone or use for other than purposes of his or her official duties, any confidential information he or she has become aware of in the course of performing his or her duties: *<Amended by Act No. 15508, Mar. 20, 2018>*

1. Any executive officer or employee of the product accident investigation center designated pursuant to Article 15 (2);
2. Any executive officer or employee of the Institution of Management;
3. Any person engaging in the work delegated pursuant to Article 24.

(2) No public official engaging in duties under this Act shall use information he or she has learned from investigation, reporting, notification or submitted materials under Article 9 (1), 10 (3), 11 (2), 13 (1) and (2), 13-2, 14 (1), or 15 (1) and (2), for other than purposes of enforcing this Act. *<Amended by Act No. 13092, Jan. 28, 2015>*

Article 24 (Delegation or Entrustment of Authority)

The head of a central administrative agency may delegate part of his or her authority under this Act to the head of an agency under his or her jurisdiction, the competent Special Metropolitan City Mayor, Metropolitan City Mayor, Special Self-Governing City Mayor, Do Governor, or Special Self-Governing Province Governor, or may entrust part of his or her authority to an institution or organization that

conducts affairs related to product safety, as prescribed by Presidential Decree. <Amended by Act No. 13092, Jan. 28, 2015>

Article 25 (Legal Fiction as Public Officials for Purposes of Penalty Provisions)

For the purposes of applying Articles 129 through 132 of the Criminal Act, any person referred to in the subparagraphs of Article 23 (1) shall be deemed a public official. <Amended by Act No. 15508, Mar. 20, 2018>

Article 25-2 (Ambiguities of Jurisdiction)

The Minister of Trade, Industry and Energy and the head of a relevant central administrative agency may, subject to mutual consultation, designate the head of a central administrative agency with competent jurisdiction under this Act over matters for which jurisdiction is unclear.

Article 25-3 (Re-Examination of Regulation)

The Minister of Trade, Industry and Energy shall examine the appropriateness of the following every three years (referring to the date before every third anniversary from the base date) based on January 1, 2015, and shall take measures, such as making improvements:

1. Reports submitted by business entities pursuant to Article 13-2;
2. Guidelines for imposing administrative fines under Article 27 (1) (limited to matters concerning the violation of the duty to report under Article 13-2).

CHAPTER VI PENALTY PROVISIONS

Article 26 (Penalty Provisions)

(1) Any of the following persons shall be punished by imprisonment for not more than three years or by a fine not exceeding 30 million won: <Amended by Act No. 13314, May 18, 2015; Act No. 14673, Mar. 21, 2017>

1. A person who fails to comply with an order for recall, etc. under Article 11 (1);
- 1-2. A person who manufactures or distributes a product falling under Article 11 (1) 4 (referring to a person who imports such product if it is imported);
- 1-3. A person who distributes the relevant product, in violation of Article 11 (4);
2. A person who fails to recall, etc. the relevant product, in violation of Article 13 (1);
3. A person who uses any information he or she has learned from investigation, reporting, notification, or submitted materials, etc. for other than purposes of enforcing this Act, in violation of Article 23 (2).

(2) Any of the following persons shall be punished by imprisonment with labor for not more than two years or by a fine not exceeding 20 million won: <Amended by Act No. 16803, Dec. 10, 2019>

1. A person who has given any disadvantageous treatment under Article 14 (2) and fails to comply with a demand for taking measures under paragraph (4) of the same Article;

2. A person who divulges any confidential information he or she becomes aware of in the course of performing his or her duties, or uses such information for other than purposes of his or her official duties, in violation of Article 23 (1).
- (3) A person who fails to comply with an order for supplementation under Article 15-3 (4) shall be punished by imprisonment with labor for not more than one year or by a fine not exceeding ten million won. <Amended by Act No. 16803, Dec. 10, 2019>

Article 27 (Administrative Fines)

- (1) Any of the following persons shall be subject to an administrative fine not exceeding 30 million won. <Amended by Act No. 15182, Dec. 12, 2017; Act No. 16803, Dec. 10, 2019>
 1. A person who fails to file a report or files a false report, in violation of Article 13-2 (1);
 2. A person who fails to investigate an accident, in violation of Article 13-3 (2);
 3. A person who fails to report the findings of investigation or files a false report, in violation of Article 13-3 (3);
 4. A person who fails to submit materials required to be submitted under Article 15 (1) or submits false materials without just cause.
- (2) Any of the following persons shall be subject to an administrative fine not exceeding five million won: <Amended by Act No. 11437, May 23, 2012; Act No. 15508, Mar. 20, 2018; Act No. 16803, Dec. 10, 2019>
 1. A person who fails to make a report on the results of measures, etc. taken under Article 10 (3) or 11 (2) or files a false report thereon;
 2. A person who fails to report the details of any significant defect or files a false report, in violation of Article 13 (1);
 3. A person who fails to make a report on the outcomes, etc. of recall, etc. under Article 13 (2) or files a false report thereon;
 4. A person who fails to submit a report or submits a false report, in violation of Article 13 (3);
 - 4-2. A person who fails to submit a plan for product recalls or submits a false plan, in violation of Article 15-3 (1);
 5. A person who uses the name “Korean Institute of Product Safety” or a name similar thereto, in violation of Article 21-2 (5).
- (3) Administrative fines referred to in paragraphs (1) and (2) shall be imposed and collected by the head of the competent central administrative agency, as prescribed by Presidential Decree.

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force one year after the date of its promulgation.

Article 2 (Transitional Measures concerning Comprehensive Plans)

As at the time this Act enters into force, a comprehensive plan for safety management of industrial products under Article 9 (1) of the previous Quality Control and Safety Management of Industrial Products Act shall be deemed a comprehensive plan under this Act until such plan is established pursuant to this Act.

Article 3 (Transitional Measures concerning Korean Electrical Appliances Safety Association)

(1) As at the time this Act enters into force, the Korean Electrical Appliances Safety Association established under Article 16 of the previous Electrical Appliances Safety Control Act (hereinafter referred to as the "Korean Electrical Appliances Safety Association") shall be deemed the Association under this Act. In such cases, the Association shall make necessary amendments to its articles of incorporation pursuant to this Act and obtain authorization therefor from the Minister of Knowledge Economy within three months after this Act enters into force.

(2) As at the time this Act enters into force, all property and rights and obligations that belong to the Korean Electrical Appliances Safety Association shall be universally succeeded to by the Association under this Act.

(3) As at the time this Act enters into force, the title of the Korean Electrical Appliances Safety Association entered in any register and other public books shall be read as the title of the Association under this Act.

(4) Any act done by or in relation to the Korean Electrical Appliances Safety Association before this Act enters into force shall be deemed an act done by or in relation to the Association under this Act.

(5) As at the time this Act enters into force, references in other Acts and subordinate statutes to the Korean Electrical Appliances Safety Association shall be deemed references to the Association under this Act.

Article 4 Omitted.

ADDENDUM <Act No. 11437, May 23, 2012>

This Act shall enter into force three months after the date of its promulgation.

ADDENDA <Act No. 11690, Mar. 23, 2013>

Article 1 (Enforcement Date)

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

(2) Omitted.

Articles 2 through 7 Omitted.

ADDENDA <Act No. 13092, Jan. 28, 2015>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Article 2 (Applicability to Publication of Findings of Safety Inspections)

The amended provisions of Article 15-2 shall begin to apply to the first safety inspection or inspection of an accident caused by a product, conducted under the amended provisions of Article 9 (1) or the provisions of Article 15 (2) after this Act enters into force.

ADDENDUM <Act No. 13314, May 18, 2015>

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 9-3 shall enter into force six months after the date of the promulgation.

ADDENDA <Act No. 13859, Jan. 27, 2016>

Article 1 (Enforcement Date)

This Act shall enter into force one year after the date of its promulgation.

Articles 2 through 19 Omitted.

ADDENDUM <Act No. 14673, Mar. 21, 2017>

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 7-2 shall enter into force six months after the date of the promulgation.

ADDENDA <Act No. 15182, Dec. 12, 2017>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation.

Article 2 (Applicability to Investigation of Significant Accidents)

The amended provisions of Article 13-3 shall begin to apply to the investigation of the first significant accident which occurs after this Act enters into force.

ADDENDA <Act No. 15508, Mar. 20, 2018>

Article 1 (Enforcement Date)

This Act shall enter into force six months after the date of its promulgation: Provided, That Article 2 of the Addenda shall enter into force on the date of the promulgation.

Article 2 (Preparation for Establishment of KIPS)

- (1) There shall be established a Committee for the Establishment of the Korean Institute of Product Safety (hereinafter referred to as the "Establishment Committee") to conduct affairs concerning the establishment of the Korean Institute of Product Safety.
- (2) The Establishment Committee shall consist of not more than seven members including one chairperson.
- (3) The Minister of Trade, Industry and Energy shall appoint the chairperson and members of the Establishment Committee.
- (4) The Establishment Committee shall prepare the articles of incorporation of KIPS and obtain approval from the Minister of Trade, Industry and Energy.
- (5) The Establishment Committee shall complete registration for the establishment of KIPS immediately after executive officers of KIPS reappointed; and transfer its affairs to the chairperson of KIPS.
- (6) The Establishment Committee and its members shall be deemed dissolved and dismissed upon completion of transfer under paragraph (5).
- (7) The Korean Product Safety Association established pursuant to previous Article 21 (hereinafter referred to as the "former Association") shall bear expenses incurred in preparing the establishment of KIPS.

Article 3 (Transitional Measures concerning Conversion of Korean Product Safety Association to Incorporated Association)

- (1) As at the time this Act enters into force, the former Association shall amend its articles of incorporation through a resolution adopted at a general meeting thereof so that it is converted into an incorporated association under Article 32 of the Civil Act.
- (2) The former Association which has amended its articles of incorporation pursuant to paragraph (1) shall file an application for permission to amend the articles of incorporation with the Minister of Trade, Industry and Energy pursuant to Article 42 of the Civil Act.
- (3) The former Association shall file an application for permission to amend the articles of incorporation under paragraph (2) along with an application for approval of the articles of incorporation of KIPS under Article 2 of the Addenda.
- (4) Where the former Association obtains permission to amend the articles of incorporation under paragraph (2), it shall complete registration for the conversion thereof into the incorporated association.
- (5) KIPS shall succeed to authority of the former Association concerning the performance of duties referred to in the subparagraphs of previous Article 21 (3), obligations related thereto, and some assets of the former Association through a resolution adopted at a general meeting of the former Association on the date KIPS completes registration for its establishment.
- (6) The value of assets to which KIPS shall succeed pursuant to paragraph (5) shall be the book value as at the day before the date KIPS completes registration for its establishment.

(7) Any act done by the former Association concerning the duties referred to in the subparagraphs of previous Article 21 (3) shall be deemed an act done by KIPS; and any act done in relation to the former Association shall be deemed an act done in relation to KIPS.

Article 4 (Transitional Measures concerning Penalty Provisions and Administrative Fines)

The application of penalty provisions and administrative fines to any act done before this Act enters into force shall be governed by the previous provisions.

Article 5 (Relationship to Other Statutes)

Where the Korean Product Safety Association is cited by other statutes in relation to the performance of duties referred to in the subparagraphs of previous Article 21 (3) as at the time this Act enters into force, the Korean Institute of Product Safety under this Act shall be deemed cited.

ADDENDUM <Act No. 16803, Dec. 10, 2019>

This Act shall enter into force six months after the date of its promulgation.



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