

# FRAMEWORK ACT ON CONSUMERS

Wholly Amended by Act No. 7988, Sep. 27, 2006

Amended by Act No. 8852, Feb. 29, 2008

Act No. 8983, Mar. 21, 2008

Act No. 9257, Dec. 26, 2008

Act No. 9785, Jul. 31, 2009

Act No. 10170, Mar. 22, 2010

Act No. 10678, May 19, 2011

Act No. 14139, Mar. 29, 2016

Act No. 15015, Oct. 31, 2017

## Article 1 (Purpose)

The purpose of this Act is to prescribe consumers' rights and duties, the duties of the State, local governments and enterprisers, the roles of consumer organizations and relationship between consumers and enterprisers in free market economy in order to protect consumers' rights and interests, and also to prescribe basic matters necessary for comprehensively facilitating consumer policies, and thereby to contribute to the improvement of consumers' lives and the development of national economy.

## Article 2 (Definitions)

For the purpose of this Act, the definitions of terms shall be as follows:

1. The term "consumers" means those who use (including utilization; hereinafter the same shall apply) the goods and services (including facilities; hereinafter the same shall apply) provided by enterprisers for their daily lives as consumers or for their production activities, who are designated by Presidential Decree;
2. The term "enterprisers" means those who manufacture (including processing or packing; hereinafter the same shall apply), import or sell goods, or furnish services;
3. The term "consumer organizations" means organizations which are organized by consumers in order to promote consumers' rights and interests;
4. The term "enterpriser organizations" means organizations which are organized by two or more enterprisers in order to promote their common interests.

## Article 3 (Relations with Other Acts)

Except as specifically provided for in other Acts, this Act shall apply with respect to the rights and interests of consumers.

#### **Article 4 (Fundamental Rights of Consumers)**

Consumers shall have the fundamental rights provided for in the following subparagraphs:

1. The right to have their lives, bodies or property protected against any danger and injury caused by goods or services (hereinafter referred to as "goods, etc.");
2. The right to be provided with the knowledge and information necessary for selecting goods, etc.;
3. The right to select freely the other party of transaction, purchasing place, price, conditions of transaction, etc. for using goods, etc.;
4. The right to have their opinions reflected in policies of the State and local governments, business activities of enterprisers, etc. which have an influence on their daily lives as consumers;
5. The right to obtain proper compensation for damages sustained due to use of goods, etc. according to prompt and fair procedures;
6. The right to receive the education necessary for carrying on their rational lives as consumers;
7. The right to establish an organization and work therein in order to promote their rights and interests as consumers;
8. The right to enjoy consumption in a safe and pleasant consumption environment.

#### **Article 5 (Duties of Consumers)**

(1) Consumers shall make the right choice of goods, etc. and exercise justly their fundamental rights provided for in Article 4 through recognizing themselves as the main constituent of the free market economy with enterprisers, etc.

(2) Consumers shall endeavor to acquire knowledge and information necessary for promoting their own rights and interests.

(3) Consumers shall engage in resource-saving and environment-friendly consumption independently and rationally, and thereby play a positive role in the improvement of their lives as consumers and the development of the national economy.

#### **Article 6 (Duties of State and Local Governments)**

In order to realize the fundamental rights of consumers as prescribed in Article 4, the State and local governments shall perform the following duties:

1. The enactment, amendment and repeal of related Acts, subordinate statutes and Municipal Ordinances;
2. The maintenance and operational improvement of necessary administrative organizations;
3. The establishment and execution of necessary policies;
4. The support and encouragement of sound and autonomous organized activities of consumers.

#### **Article 7 (Assistance to Local Administrative Organizations)**

The State may provide necessary assistance in the establishment, operation, etc. of administrative organizations of local governments relating to the rights and interests of consumers under the conditions as prescribed by the Presidential Decree.

### **Article 8 (Prevention of Danger and Injury)**

(1) In order to prevent any danger and injury to the lives, bodies and property of consumers due to goods, etc. supplied by enterprisers, the State shall determine criteria to be observed by enterprisers with respect to the following matters:

1. Important matters relating to the safety of goods, etc., such as ingredients, content, structure, etc.;
2. Contents and method to be indicated for using goods, etc., such as directive matters, cautions, etc.;
3. Other matters as deemed necessary for preventing any danger and injury.

(2) The head of a central administrative agency shall test, inspect or investigate periodically whether or not enterprisers observe the criteria determined by the State pursuant to paragraph (1).

### **Article 9 (Propriety of Weighing and Standards)**

(1) In order to prevent consumers from sustaining any loss by weighing in transaction with enterprisers, the State and local governments shall take measures necessary for weighing goods, etc.

(2) The State and local governments shall specify the standards of goods, etc. in order to accomplish the quality improvement of goods, etc. and the improvement of consumers' life, and take measures necessary for disseminating them.

### **Article 10 (Criteria for Indication)**

(1) In order to prevent consumers from taking wrong selection of goods, etc. in transaction with enterprisers or from misusing goods, etc. due to any indication or package, etc., the State shall determine the following criteria for indication on goods, etc.: *<Amended by Act No. 10678, May 19, 2011>*

1. Denomination, use, ingredients, material quality, performance, size, price, capacity, and permitted number of goods, and contents of services;
2. Name (including address and telephone number) of the enterpriser who has manufactured, imported, sold or provided goods, etc., and the origin of the goods;
3. Method of use, and matters of caution and warning in use and keeping;
4. Date of manufacture, quality guarantee period, or in cases of goods, such as foods and medicine, which are apt to be altered in the course of distribution, the validity period of such goods;
5. Dimension, location and method of indication;
6. Organization (including its address and telephone number) and method of settlement, if there is any complaint on goods, etc. or any consumer's damage due to goods, etc.;
7. Method of indication for the visually impaired under Article 20 of the Act on the Prohibition of Discrimination against Persons with Disabilities, Remedy against Infringement of their Rights, etc.

(2) Where enterprisers alter details of each subparagraph of paragraph (1) in order to prevent consumers from taking wrong selection of goods, etc. in transaction with enterprisers or from misusing goods, etc. due to any indication or package, etc., the State may determine the criteria to indicate details before and after the alteration thereof. *<Newly Inserted by Act No. 10678, May 19, 2011>*

### **Article 11 (Criteria for Advertisement)**

In order to prevent any danger and injury to the lives, bodies or property of consumers which may arise due to any wrong or excessive consumption of goods, etc., the State shall determine the criteria concerning the contents and methods of advertisements, in the following cases:

1. Where it is required to restrict any advertisement only by the permitted or authorized contents, or to make any specified contents known to consumers without fail, in making an advertisement on the use, ingredients, performance, size, origin, etc.;
2. Where it is required to restrict the use of any specified terms or expressions which might mislead consumers;
3. Where it is required to restrict the form of media or time period of any advertisement.

#### **Article 12 (Propriety of Transaction)**

- (1) In order to protect consumers from unreasonable damage caused by unfair transaction conditions or methods of enterprisers, the State shall establish and implement a necessary policy.
- (2) The State may designate and make publicly known unreasonable acts of enterprisers, which are deemed likely to prevent rational selections of consumers and to inflict damages on consumers.
- (3) The State and local governments shall take policy measures necessary for the protection of consumers' rights and interests with respect to specific form of transactions, such as transactions based on any standardized contract, door-to-door sale, multistage sale, installment sale, mail-order sale, electronic commerce, etc.

#### **Article 13 (Provision of Information to Consumers)**

- (1) The State and local governments shall make important policies and decisions related to consumers' rights and interests known to consumers so that the fundamental rights of consumers can be realized.
- (2) The State and local governments shall formulate necessary policies so that enterprisers' information relating to transaction terms and methods, quality, safety, environment-friendliness, etc. of goods, etc. can be provided for consumers to reasonably choose goods, etc.

#### **Article 14 (Improvement of Consumer Capacity)**

- (1) The State and local governments shall provide consumers with necessary education so that they may exercise their rights properly, improve their ability to make reasonable choices about goods, etc. and make consumption at their own responsibility.
- (2) The State and local governments shall develop programs to enhance consumers' ability in line with economic and social development.
- (3) The State and local governments shall formulate and implement policies to enhance educative effects by linking both consumer education and school/lifelong education.
- (4) The State and local governments may carry on a broadcasting business pursuant to the Broadcasting Act to effectively improve consumers' ability.
- (5) Necessary matters concerning the methods, etc. of consumer education pursuant to paragraph (1) shall be prescribed by the Presidential Decree.

### **Article 15 (Protection of Personal Information)**

(1) The State and local governments shall take necessary measures to protect consumers from any unjust damage caused by the loss, steal, leakage, alteration or damage of personal information in transaction with enterprisers.

(2) The State shall determine the criteria to protect the personal information of consumers pursuant to paragraph (1).

### **Article 16 (Settlement of Consumer Disputes)**

(1) The State and local governments shall take necessary measures including the establishment of related organs so as to settle promptly and fairly the complaints and damages of consumers.

(2) The State may lay down the criteria for the settlement of consumer disputes as determined by the Presidential Decree, for the purpose of settling smoothly disputes which may arise between consumers and enterprisers.

(3) The criteria for the settlement of consumer disputes as referred to in paragraph (2) shall be the criteria for any agreement or recommendation on the settlement of disputes, unless there is any separate manifestation as to the method of dispute settlement between the parties in dispute.

### **Article 17 (Establishment, etc. of Testing and Inspection Facilities)**

(1) The State and local governments shall have the mechanism and facilities to conduct any test, inspection or investigation on the size, quality, safety, etc. of goods, etc.

(2) The State, local governments, consumers, or consumer organizations may, if deemed necessary or upon a consumer's request, request any test, inspection or investigation from the testing or inspection institution established pursuant to paragraph (1) or the Korea Consumer Agency provided for in Article 33 (hereinafter referred to as the "Korea Consumer Agency"), to conduct the test, etc.

(3) The State and local governments shall, upon having conducted any tests, etc. pursuant to paragraph (2), publish the results thereof, and take measures necessary for protecting consumers' rights and interests.

(4) The State and local governments may assist consumer organizations so as to be equipped with facilities to conduct any test and inspection on the size, quality, safety, etc. of goods, etc.

(5) When it is necessary to determine the criteria or formulate policies relating to the protection of consumers' rights and interests in accordance with Article 8, 10 through 13 or 15, the State and local governments may request the Korea Consumer Agency, a national or public testing and inspection institution and other institutions prescribed by Presidential Decree to conduct necessary survey and research.

### **Article 18 (Cooperation, etc. in Policies for Promotion of Consumers' Rights and Interests)**

(1) Enterprisers shall cooperate positively in policies of the State and local governments for promotion of consumers' rights and interests.

(2) Enterprisers shall cooperate positively where consumer organizations and the Korea Consumer Agency request the provision of data and information necessary to carry out business activities related to the promotion of consumers' rights and interests.

(3) Enterprisers shall endeavor to develop environment-friendly technology and recycle resources in supplying goods, etc. so as to create safe and pleasant consumptive environment.

#### **Article 19 (Duties of Enterprisers)**

(1) In order to prevent any danger and injury to the lives, bodies or property of consumers due to goods, etc., enterprisers shall take necessary measures.

(2) No enterpriser shall use any condition or method of trade which might infringe on the rational choice or interest of consumers, in the supply of goods, etc.

(3) Enterprisers shall sincerely provide consumers with accurate information on goods, etc.

(4) Enterprisers shall sincerely handle the personal information of consumers lest such information should be lost, stolen, leaked, altered or damaged.

(5) Enterprisers shall settle any consumers' complaints or damages due to the defects of goods, etc. through providing necessary compensation, etc., and indemnify them for any damages caused by non-fulfillment, etc. of obligation.

#### **Article 20 (Observance of Criteria for Promotion of Consumers' Rights and Interests)**

(1) No enterpriser shall manufacture, import, sell or provide any goods, etc. that are in contravention of the criteria determined by the State pursuant to Article 8 (1).

(2) No enterpriser shall violate the criteria for indication determined by the State pursuant to Article 10.

(3) No enterpriser shall violate the criteria for advertisement determined by the State pursuant to Article 11.

(4) No enterpriser shall commit any such act as designated and notified publicly by the State pursuant to Article 12 (2).

(5) No enterpriser shall violate the criteria for protection of personal information determined by the State pursuant to Article 15 (2).

#### **Article 20-2 (Certification of Customer-Oriented Management)**

(1) The Fair Trade Commission may grant certification of customer-oriented management (hereinafter referred to as "certification of customer-oriented management") to business entities who conduct customer-oriented management (hereinafter referred to as "customer-oriented management") in the entire process of manufacturing, importing and selling goods or providing services.

(2) A business entity intending to receive certification of customer-oriented management shall file an application with the Fair Trade Commission, as prescribed by Presidential Decree.

(3) An enterprise in receipt of certification of customer-oriented management may mark such certification, as prescribed by Presidential Decree.

(4) The validity period of certification of customer-oriented management shall be two years from the date of receiving such certification.

(5) In order to vitalize customer-oriented management, the Fair Trade Commission may give reward, support, etc. to enterprises which receive certification of customer-oriented management, as prescribed by Presidential Decree.

(6) The Fair Trade Commission may have business entities applying for certification of customer-oriented management bear expenses for conducting examination for such certification, as prescribed by Presidential Decree.

(7) Except as expressly provided for in paragraphs (1) through (6), the matters necessary for methods, procedures, etc. for conducting examination for certification of customer-oriented management shall be prescribed by Presidential Decree.

#### **Article 20-3 (Designation, etc. of Certification Institutions for Customer-Oriented Management)**

(1) The Fair Trade Commission may designate an institution or organization specialized in customer-oriented management as a certification institution for customer-oriented management (hereinafter referred to as “certification institution”) to perform affairs for certifying customer-oriented management (hereinafter referred to as “certification affairs”), as prescribed by Presidential Decree.

(2) The executive officers and employees of the certification institution performing certification affairs shall be deemed public officials in applying Articles 129 through 132 of the Criminal Act.

(3) Where a certification institution falls under any of the following, the Fair Trade Commission may revoke its designation, or order the suspension of business for a fixed period not exceeding one year: Provided, That where such certification institution falls under subparagraph 1 or 5, the Fair Trade Commission shall revoke its designation:

1. Where it is designated in a false or otherwise unjustified manner;
2. Where it performs certification affairs for a period of business suspension, in violation of an order of the suspension of business;
3. Where it violates standards and procedures for certifying customer-oriented management under Article 20-2 (7) by intention or gross negligence;
4. Where it refuses to perform certification affairs without any justifiable reason;
5. Where it goes bankrupt or permanently closes its business;
6. Where it is impractical for it to perform certification affairs due to its business suspension or dishonor.

#### **Article 20-4 (Revocation of Customer-Oriented Management Certification)**

(1) Where a business entity who receives certification of customer-oriented management falls under any of the following, the Fair Trade Commission may revoke its certification: Provided, That where such business entity falls under subparagraph 1, the Fair Trade Commission shall revoke its certification:

1. Where the business entity receives certification of customer-oriented management in a false or otherwise unjustified manner;
2. Where the business entity no longer meets the standards for certification of customer-oriented management under Article 20-2 (7);
3. Where, after receiving certification of customer-oriented management, the business entity receives a measure prescribed by Presidential Decree, such as an order of rectification, from the relevant central administrative agency, in violation of any Act specified by Presidential Act, which is concerning

protecting the lives, health or property of customers.

(2) The Fair Trade Commission shall not grant certification of customer-oriented management to a business entity whose certification of customer-oriented management is revoked pursuant to paragraph (1) 1 or 3, during a period determined by Presidential Decree within three years from the date such certification is revoked.

#### **Article 21 (Establishment, etc. of Basic Plan)**

(1) The Fair Trade Commission shall establish a basic plan for consumer policy (hereinafter referred to as the "basic plan") every three years, subject to the review and resolution of the Consumer Policy Committee under Article 23. *<Amended by Act No. 8852, Feb. 29, 2008>*

(2) The basic plan shall include the following matters:

1. Changes in economic and social environment relating to the consumer policy;
2. Basic direction of the consumer policy;
3. Goal of the consumer policy including the matters provided for in the following items:
  - (a) Enhancement of the consumer safety;
  - (b) Fairness and appropriateness of transactions between consumers and enterprisers;
  - (c) Facilitation of consumer education and information provision;
  - (d) Active relief for consumers' losses;
  - (e) Dealing with international consumer issues;
  - (f) Other important matters relating to consumers' rights and interests;
4. Methods of raising funds necessary for implementing the consumer policy;
5. Preparation of safety standard by age to prevent any danger or injury to children;
6. Other matters necessary for establishing and implementing the consumer policy.

(3) The Fair Trade Commission may make any modifications to the basic plan, subject to the deliberation and resolution of the Consumer Policy Committee under Article 23. *<Amended by Act No. 8852, Feb. 29, 2008>*

(4) Necessary matters concerning procedures, etc. for the establishment and modification of the basic plan shall be prescribed by Presidential Decree.

#### **Article 22 (Formulation, etc. of Implementation Plans)**

(1) The head of a relevant central administrative agency shall formulate an implementation plan thereof for the next year necessary to execute the consumer policy in relation to his/her duties (hereinafter referred to as "central administrative agency implementation plan"), in conformity with the basic plan, by no later than October 31 every year.

(2) The Special Metropolitan City Mayor, Metropolitan City Mayor, Special Self-Governing City Mayor, Do Governor, or Special Self-Governing Province Governor (hereinafter referred to as "Mayor/Do Governor") shall formulate an implementation plan thereof for the next year necessary to execute the consumer policy (hereinafter referred to as "City/Do implementation plan"), in conformity with the basic plan and central administrative agency implementation plans, by no later than November 30 every year.



*<Amended by Act No. 10170, Mar. 22, 2010; Act No. 14139, Mar. 29, 2016>*

(3) The Fair Trade Commission shall put together and adjust central administrative agency implementation plans and City/Do implementation plans and formulate a comprehensive implementation plan (hereinafter referred to as "comprehensive implementation plan"), following deliberation and resolution by the Consumer Policy Committee under Article 23, by no later than December 31 every year.

*<Amended by Act No. 8852, Feb. 29, 2008>*

(4) The heads of relevant central administrative agencies and Mayors/Do Governors shall take financial measures necessary to effectively execute the comprehensive implementation plan including compilation of annual budget for expenses involved.

(5) Necessary matters concerning the formulation of the comprehensive implementation plan, appraisal of the results of execution thereof, etc. shall be prescribed by Presidential Decree.

#### **Article 23 (Establishment of Consumer Policy Committee)**

In order to deliberate and decide a fundamental policy concerning the enhancement of consumers' rights and interests and the improvement of consumers' lives, the Consumer Policy Committee (hereinafter referred to as the "Policy Committee") shall be established in the Fair Trade Commission. *<Amended by Act No. 8852, Feb. 29, 2008>*

#### **Article 23 (Establishment of Consumer Policy Committee)**

The Consumer Policy Committee (hereinafter referred to as the "Policy Committee") shall be established under the jurisdiction of the Prime Minister, in order to consolidate and coordinate, and deliberate and decide on, fundamental policies concerning the enhancement of consumers' rights and interests and the improvement of consumers' lives. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 15015, Oct. 31, 2017>*

#### **Article 24 (Composition of Policy Committee)**

(1) The Policy Committee shall be composed of 25 or fewer members, including two chairpersons.

(2) The chairpersons shall be the chairperson of the Fair Trade Commission and one person commissioned by the President from among those having extensive knowledge and experience pertaining to consumer issues. *<Amended by Act No. 8852, Feb. 29, 2008>*

(3) The members shall consist of the heads of the central administrative agencies concerned, the president of the Korea Consumer Agency provided for in Article 38 (hereinafter referred to as the "president"), and the persons commissioned by the chairperson of the Fair Trade Commission from among those falling under any one of the following subparagraphs: *<Amended by Act No. 8852, Feb. 29, 2008>*

1. Persons of extensive knowledge and experience pertaining to consumer issues;

2. Representatives of consumers and the economic circles recommended by consumer organizations registered pursuant to Article 29 (herein after referred to as the "registered consumer organizations") and by economic organizations determined by Presidential Decree.

(4) The terms of commissioned chairpersons as referred to in paragraph (2) and the commissioned members as referred to in paragraph (3) shall be three years, respectively.

(5) The Policy Committee shall have one executive secretaries, who shall be appointed by the chairperson of the Fair Trade Commission from among public officials belonging to the Fair Trade Commission. <Amended by Act No. 8852, Feb. 29, 2008>

#### **Article 24 (Composition, etc. of Policy Committee)**

(1) The Policy Committee shall be composed of 25 or fewer members, including two chairpersons. <Amended by Act No. 15015, Oct. 31, 2017>

(2) The chairpersons shall be the Prime Minister and one person commissioned by the President from among those having extensive knowledge and experience pertaining to consumer issues. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 15015, Oct. 31, 2017>

(3) The members shall consist of the heads of the central administrative agencies concerned, the president of the Korea Consumer Agency provided for in Article 38 (hereinafter referred to as the "president"), and the persons commissioned by the Prime Minister from among those falling under any one of the following subparagraphs: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 15015, Oct. 31, 2017>

1. Persons of extensive knowledge and experience pertaining to consumer issues;
2. Representatives of consumers and the economic circles recommended by consumer organizations registered pursuant to Article 29 (herein after referred to as the "registered consumer organizations") and by economic organizations determined by Presidential Decree.

(4) The terms of commissioned chairpersons as referred to in paragraph (2) and the commissioned members as referred to in paragraph (3) shall be three years, respectively.

(5) The Policy Committee shall have one secretary member for efficient operation and support, and the chairperson of the Fair Trade Commission shall serve as secretary member. <Amended by Act No. 15015, Oct. 31, 2017>

(6) The Prime Minister may dismiss from office a commissioned member referred to in any subparagraph of paragraph (3), where such member falls under any of the following: <Newly Inserted by Act No. 15015, Oct. 31, 2017>

1. Where he/she becomes unable to perform his/her duties due to mental or physical disorder;
2. Where any corruption or illegality is found in relation to his/her duties as a member;
3. Where he is deemed not suitable as a member due to his/her neglect of duties, injury to dignity, or other grounds;
4. Where he/she voluntarily declares that it is impractical to perform his/her duties as a member.

(7) A secretariat shall be established to handle administrative affairs of the Policy Committee, and the organization, composition, operation, etc. of the secretariat shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 15015, Oct. 31, 2017>

#### **Article 25 (Functions of Policy Committee)**

(1) The Policy Committee shall consolidate, coordinate, deliberate and resolve the following: <Amended by Act No. 14139, Mar. 29, 2016>

1. The basic plan and the comprehensive implementation plan;
2. Matters concerning the comprehensive implementation of consumer policy;
3. Matters concerning the evaluation, institutional improvements, and recommendation, etc. of consumer policies;
4. Other matters concerning the promotion of consumers' rights and interests and the improvement of their lives as consumers, submitted for deliberation by the chairpersons.

(2) The Policy Committee may recommend the head of a central administrative agency and the head of a local government to take necessary measures, such as legislative improvements with respect to any statutes, public notices, established rules, municipal ordinances, etc., evaluated by the Policy Committee as restricting or likely to restrict fundamental rights of consumers. <Newly Inserted by Act No. 14139, Mar. 29, 2016>

(3) The Policy Committee shall provide the head of a central administrative agency and the head of a local government with an opportunity to pre-submit their opinions before it recommends necessary measures, such as legislative improvements referred to in paragraph (2). <Newly Inserted by Act No. 14139, Mar. 29, 2016>

(4) The head of a central administrative agency and the head of a local government shall formulate a plan for implementing necessary measures and notify the Policy Committee of such plan, by no later than three months from the date they receive a recommendation referred to in paragraph (2). <Newly Inserted by Act No. 14139, Mar. 29, 2016>

(5) The Policy Committee may review a plan for implementation notified pursuant to paragraph (4) and give publicity to the result of such review. <Newly Inserted by Act No. 14139, Mar. 29, 2016>

(6) The Policy Committee may establish working committees and expert committees by field to efficiently perform its business affairs.

(7) Except as otherwise expressly provided for in this Act, necessary matters concerning the organization and operation of the Policy Committee, working committees, and expert committees shall be prescribed by Presidential Decree.

#### **Article 25 (Functions of Policy Committee)**

(1) The Policy Committee shall deliberate and resolve the following: <Amended by Act No. 14139, Mar. 29, 2016; Act No. 15015, Oct. 31, 2017>

1. Formulation and evaluation of the basic plan and the comprehensive implementation plan, and the publication of results of such evaluation;
2. Matters concerning the comprehensive implementation and coordination of consumer policies;
3. Matters concerning matters necessary for protecting consumers and securing safety;
4. Matters concerning the evaluation, institutional improvement, recommendation, etc. of consumer policies;
5. Other Matters referred for discussion by a chairperson to promote consumer's rights and interests and improve consumption life.

(2) The Policy Committee may recommend the head of a central administrative agency and the head of a local government to take necessary measures, such as legislative improvements with respect to any statutes, public notices, established rules, municipal ordinances, etc., evaluated by the Policy Committee as restricting or likely to restrict fundamental rights of consumers. <Newly Inserted by Act No. 14139, Mar. 29, 2016>

(3) The Policy Committee shall provide the head of a central administrative agency and the head of a local government with an opportunity to pre-submit their opinions before it recommends necessary measures, such as legislative improvements referred to in paragraph (2). <Newly Inserted by Act No. 14139, Mar. 29, 2016>

(4) The head of a central administrative agency and the head of a local government shall formulate a plan for implementing necessary measures and notify the Policy Committee of such plan, by no later than three months from the date they receive a recommendation referred to in paragraph (2). <Newly Inserted by Act No. 14139, Mar. 29, 2016>

(5) The Policy Committee may review a plan for implementation notified pursuant to paragraph (4) and give publicity to the result of such review. <Newly Inserted by Act No. 14139, Mar. 29, 2016>

(6) The Policy Committee may establish working committees and expert committees by field to efficiently perform its business affairs.

(7) Except as otherwise expressly provided for in this Act, necessary matters concerning the organization and operation of the Policy Committee, working committees, and expert committees shall be prescribed by Presidential Decree.

#### **Article 25-2 (Emergency Response, etc.)**

(1) The chairperson may convene an emergency meeting in cases deemed to fall under any of the following subparagraphs:

1. Where any hazard prescribed by Presidential Decree occurs or is likely to occur to the lives or bodies of customers due to the goods, etc. supplied by any business entity;
2. Where it is necessary for two or more central administrative agencies to devise comprehensive countermeasures for preventing the occurrence or proliferation of the hazard under subparagraph 1.

(2) An emergency meeting shall be composed of the chairperson, a secretary member, and the heads of central administrative agencies who are deemed by the chairperson to be related to the formulation of comprehensive countermeasures.

(3) An emergency meeting may devise comprehensive countermeasures to prevent the occurrence and proliferation of any hazard under paragraph (1).

(4) The heads of central administrative agencies shall immediately formulate a detailed plan necessary for the comprehensive countermeasures devised pursuant to paragraph (3), and report the status and result of implementation of such relevant detailed plan.

(5) Where any hazard deemed to fall under the requirements referred to in paragraph (1) is reported or notified to the head of a central administrative agencies or the head of a local government, or where the

head of a central administrative agencies or the head of a local government becomes aware of such hazard, he/she shall immediately inform the Policy Committee of the relevant content.

(6) The Policy Committee may, if necessary to devise comprehensive countermeasures under paragraph (3), request the head of a central administrative agency or its affiliated agency, or a public institution under Article 4 of the Act on the Management of Public Institutions to submit materials or investigate, analyze and inspect the causes of occurrence of any damage, the scope thereof, etc.

(7) In addition to matters provided for in paragraphs (1) through (6), matters necessary for operating an emergency meeting, checking up the implementation of formulated countermeasures by the heads of central administrative agencies, and publishing the results of such checkups shall be prescribed by Presidential Decree.

#### **Article 26 (Hearing of Opinions, etc.)**

(1) If it is necessary for reviewing matters as prescribed in subparagraphs of Article 25 (1), the Policy Committee may hear the opinions of experts in consumer issues, consumers or enterprisers concerned.

(2) If it is necessary for the enhancement of consumers' rights and interests, the operation of the Policy Committee, etc., the Fair Trade Commission may request the heads of central administrative agencies and local governments and other heads of related administrative agencies to present their opinions and materials. *<Amended by Act No. 8852, Feb. 29, 2008>*

#### **Article 27 (International Cooperation)**

(1) The State shall take necessary measures to cope with international spread of consumer issues, such as the enhancement of mutual cooperation among States.

(2) The Fair Trade Commission shall establish and implement necessary policies related to the sharing of information, the organization and operation of international cooperative or consultative bodies, etc. to address international consumer issues, in consultation with heads of related central administrative agencies. *<Amended by Act No. 8852, Feb. 29, 2008>*

(3) Necessary matters concerning the establishment, etc. of related policies pursuant to paragraph (2) shall be prescribed by Presidential Decree.

#### **Article 28 (Activities, etc. of Consumer Organizations)**

(1) Consumer organizations shall carry out the following activities:

1. Recommendation to the State and local governments on a policy for rights and interests of consumers;
2. Tests and inspection on standardized grade or type, quality, safety, and environment-friendliness of goods, etc., and survey and analysis on the transaction terms or methods including prices, etc.;
3. Investigation and study on consumer issues;
4. Consumer education;
5. Consultation and furnishing of information for the settlement of consumers' complaints and damages, and the recommendation of agreement between the parties concerned.

(2) The consumer organizations may publish the results of the survey, analysis, etc. pursuant to paragraph (1) 2: Provided, That where the matters to be published are subject to a test and inspection on the quality, performance, ingredients, etc. of goods, etc., which require technical manpower and equipment, such matters shall be published after the test and inspection by a testing and inspecting institution as prescribed by Presidential Decree.

(3) Where an enterpriser or enterpriser organization refuses, interferes with or evades the provision of data and information or provides false data and information in response to a request for the provision of data and information pursuant to Article 78 without any justifiable cause, a consumer organization may publish the name (including trade name or other title) of the enterpriser or enterpriser organization, the fact that it was refused, causes for such refusal, etc. in general daily newspapers under the Act on the Promotion of Newspapers, etc. <Amended by Act No. 9785, Jul. 31, 2009>

(4) No consumer organization shall use information which it has learned in the course of its service, for any purpose other than that to promote the rights and interests of consumers.

(5) Where a consumer organization causes damage to an enterpriser or enterpriser organization by using data and information provided from the enterprise or enterpriser organization for any purpose other than that for promotion of consumers' rights and interests, it shall hold itself responsible for compensating such damage.

#### **Article 29 (Registration of Consumer Organizations)**

(1) Any consumer organization which meets all requirements of the following subparagraphs may make a registration with the Fair Trade Commission or a local government, under the conditions as prescribed by Presidential Decree:

1. To carry out the activities referred to in Article 28 (1) 2 and 5;
2. To handle general consumer issues involving goods and services;
3. To have the equipment and manpower prescribed by Presidential Decree;
4. To satisfy all requirements provided for in the subparagraphs of Article 2 of the Assistance for Non-Profit, Non-Governmental Organizations Act.

(2) The Fair Trade Commission or the head of the local government concerned shall determine whether or not to grant registration to a consumer organization, which is applied for pursuant to paragraph (1), after examining the requirements provided for in subparagraphs of paragraph (1).

#### **Article 30 (Revocation of Registration)**

(1) Where a consumer organization has made itself registered pursuant to Article 29 by deceit or other fraudulent means, the Fair Trade Commission or the head of the local government concerned shall revoke the registration.

(2) Where a registered consumer organization comes to fall short of the requirements provided for in the subparagraphs of Article 29 (1), the Fair Trade Commission or the head of the local government concerned may order it to satisfy the requirements within three months and revoke the registration if it fails to comply with the order within the said period.

### **Article 31 (Autonomous Dispute Settlement)**

(1) The council of consumer organizations registered with the Fair Trade Commission pursuant to Article 29 may autonomously mediate disputes for the settlement of consumers' complaints and damages under Article 28 (1) 5: Provided, That regarding the matters under the control of a dispute settlement organization which is established pursuant to the provisions of other Acts, whose business area demands specialization, as prescribed by the Presidential Decree, this shall not apply.

(2) The autonomous dispute settlement pursuant to the provisions of paragraph (1) shall be deemed to have the effect of an agreement with the same contents which is concluded between the parties, if they accept.

(3) Necessary matters regarding the organization of the council of consumer organizations, the procedures of dispute settlement, etc. pursuant to the main sentence of paragraph (1) shall be prescribed by the Presidential Decree.

### **Article 32 (Grant of Subsidy)**

If it is deemed necessary for the sound growth and development of registered consumer organizations, the State or local governments may grant a subsidy.

### **Article 33 (Establishment)**

(1) The Korea Consumer Agency shall be established for the purpose of carrying out effectively a policy for promotion of consumers' rights and interests.

(2) The Korea Consumer Agency shall be a juristic person.

(3) The Korea Consumer Agency may establish its branches in necessary places with the approval of the Fair Trade Commission.

(4) The Korea Consumer Agency shall be constituted officially by effecting a registration of establishment in the seat of its principal office.

### **Article 34 (Articles of Association)**

The Korea Consumer Agency shall include the following matters in its articles of association:

1. Object;
2. Name;
3. Matters concerning its principal office and branches;
4. Matters concerning officers and personnel;
5. Matters concerning operation of the board of directors;
6. Matters concerning the Consumer Safety Center provided for in Article 51;
7. Matters concerning the Consumer Dispute Settlement Commission referred to in Article 60;
8. Matters concerning activities;
9. Matters concerning property and accounting;
10. Matters concerning public notice;
11. Matters concerning the modification of articles of association;

12. Matters concerning the establishment, revision and repeal of internal rules.

### **Article 35 (Activities)**

(1) The Korea Consumer Agency shall carry out the following activities:

1. Study and recommendation on the systems and policies relating to the rights and interests of consumers;
2. Tests and inspection on standardized grade or type, quality, safety, and environment-friendliness of goods, etc., and survey and analysis on the transaction terms or methods including prices, etc., if necessary to promote the rights and interests of consumers;
3. Collection and furnishing of information on, and international cooperation in, promotion of consumers' rights and interests, their safety and the improvement of their lives as consumers;
4. Education, public relations and broadcasting business related to the promotion of consumers' rights and interests, their safety and the development of their ability;
5. Settlement of complaints and remedy for damages of consumers;
6. Comprehensive research and study for the promotion of consumers' rights and interests and the rationalization of their lives as consumers;
7. Survey, etc. requested by the State or local governments for the promotion of consumers' rights and interests;
8. Other activities relating to the promotion of rights and interests and the safety of consumers.

(2) The following matters shall be excluded from objects to be settled by the Korea Consumer Agency in carrying out activities as referred to in paragraph (1) 5:

1. Remedy for damages caused by goods, etc. supplied by the State or local governments: Provided, That this shall not apply with respect to the goods, etc. prescribed by the Presidential Decree;
2. Other remedy for damages applied for to a dispute settlement organization which is established pursuant to the provisions of other Acts, whose business area demands specialization, as prescribed by the Presidential Decree.

(3) The Korea Consumer Agency shall publish the information necessary to promote consumers' rights and interests, prevent the spread of consumer damages, improve the quality of goods, etc., and improve their daily lives as consumers, which it has learned in the course of its service: Provided, That this shall not apply where it is deemed necessary to protect the trade secret of an enterpriser or enterpriser organization or it is deemed necessary for the public interest.

### **Article 36 (Request for Test and Inspection)**

(1) If the president deems it necessary for carrying out activities as prescribed in Article 35 (1) 2 and 5, he/she may request a national or public testing and inspection institution for a test and inspection on goods, etc.

(2) Any institution which has received a request in accordance with paragraph (1) shall comply preferentially with it unless there is any special reason.



### **Article 37 (Prohibition of Use of Similar Name)**

No person other than the Korea Consumer Agency provided for in this Act shall use the name of the Korea Consumer Agency or the Korea Consumer Protection Board, etc. similar thereto.

### **Article 38 (Officers and their Terms of Office)**

(1) The Korea Consumer Agency shall have ten or less directors, including a president, a vice president, and the Director of the Consumer Safety Center (hereinafter referred to as the "Director") provided for in Article 51, and one auditor.

(2) The president, the vice president, the Director, and directors determined by Presidential Decree shall work full-time, and the other officers, part-time.

(3) The president shall be appointed by the President by the Republic of Korea on the proposal of the Chairperson of the Fair Trade Commission from among a plural number of persons recommended by the Committee for Recommendation of Executive Officers established under Article 29 of the Act on the Management of Public Institutions (hereafter in this Article referred to as the "Committee for Recommendation of Executive Officers"). *<Amended by Act No. 14139, Mar. 29, 2016>*

(4) The vice president, the Director, and standing directors shall be appointed by the president. *<Amended by Act No. 14139, Mar. 29, 2016>*

(5) Non-standing directors shall be appointed by the Chairperson of the Fair Trade Commission, from among a plural number of persons recommended by the Committee for Recommendation of Executive Officers. *<Amended by Act No. 14139, Mar. 29, 2016>*

(6) The auditor shall be appointed by the President of the Republic of Korea on the proposal of the Minister of Strategy and Finance, from among a plural number of persons who have undergone deliberation and resolution by the Committee for Managing Public Institutions established under Article 8 of the Act on the Management of Public Institutions. *<Amended by Act No. 14139, Mar. 29, 2016>*

(7) The term of office of the president shall be three years; and the term of office of the vice president, the Director, directors, and the auditor shall be two years. *<Newly Inserted by Act No. 14139, Mar. 29, 2016>*

### **Article 39 (Duties of Officers)**

(1) The president shall represent the Korea Consumer Agency, and manage its general activities.

(2) The vice president shall assist the president, and if the president is unable to perform his/her duties due to any inevitable cause, he/she shall act for the president.

(3) The Director shall manage the general activities of the Consumer Safety Center established pursuant to Article 51 (1) under the direction of the president, and the directors other than the president, the vice president and the Director shall take partial charge of the affairs of the Korea Consumer Agency under the conditions as specified in the articles of association.

(4) If both the president and the vice president are unable to perform their duties due to any inevitable cause, a full-time director or, in the absence of the full-time director, a part-time director shall act for the president, in such order as determined by the articles of association.

(5) The auditor shall inspect and audit activities and accounts of the Korea Consumer Agency.

#### **Article 40 (Board of Directors)**

(1) In order to deliberate and decide important matters regarding the activities and operations of the Korea Consumer Agency, the board of directors shall be established in it.

(2) The board of directors shall be composed of the president, the vice president, the Director and other directors.

(3) The president shall convene the board of directors, and preside at it.

(4) The auditor may attend meetings of the board of directors to state his/ her opinion.

#### **Article 41 (Source of Revenue)**

Expenses necessary for the establishment, equipment, operation and activities of the Korea Consumer Agency shall be covered by the following funds:

1. Contributions made by the State and local governments;
2. Other revenues accrued from the operation of the Korea Consumer Agency.

#### **Article 42 (Supervision)**

(1) The Fair Trade Commission shall direct and control the Korea Consumer Agency (including the Consumer Safety Center provided for in Article 51; hereafter in this Section, the same shall apply), and may, if deemed necessary, give instructions or issue orders concerning the activities to the Korea Consumer Agency.

(2) The Korea Consumer Agency shall prepare an annual operational plan and an annual draft budget to obtain approval from the Fair Trade Commission, and prepare an annual report on the settlement of accounts and a statement of auditor's opinion thereon to report to the Minister of Finance and Economy. In this case, the procedures, etc. therefor shall be prescribed by the Presidential Decree.

(3) The Fair Trade Commission may, if deemed necessary, have the Korea Consumer Agency report matters concerning its activities, accounts and property, or may inspect them.

#### **Article 43 (Fiction as Public Officials in Application of Penal Provisions)**

The officers of the Korea Consumer Agency, members of the Consumer Dispute Settlement Commission provided for in Article 60, and personnel as prescribed by the Presidential Decree shall be considered as public officials in application of Articles 129 through 132 of the Criminal Act.

#### **Article 44 (Application Mutatis Mutandis)**

Except as otherwise expressly provided for in this Act and the Act on the Management of Public Institutions, the provisions of the Civil Act relating to incorporated foundations shall apply mutatis mutandis to the Korea Consumer Agency. <Amended by Act No. 14139, Mar. 29, 2016>

#### **Article 45 (Protection of Vulnerable Population)**

(1) The State and local governments shall preferentially adopt measures to protect the safety-vulnerable population, such as children, the old, the weak, persons with disabilities, and immigrants by marriage (referring to immigrants by marriage defined in subparagraph 3 of Article 2 of the Framework Act on Treatment of Foreigners Residing in the Republic of Korea; hereinafter the same shall apply). <Amended by

*Act No. 14139, Mar. 29, 2016*>

(2) In selling, advertising, or offering goods, etc. to the safety-vulnerable population, such as children, the old, the weak, persons with disabilities, and immigrants by marriage, enterprisers shall take necessary preventive measures, including those provided for in Article 19 (1), to protect the safety-vulnerable population from any danger or injury. <Amended by Act No. 14139, Mar. 29, 2016>

#### **Article 46 (Request, etc. for Correction)**

Where goods, etc. supplied by an enterpriser are anticipated to cause any danger or injury to consumers, the Fair Trade Commission or a Mayor/Do Governor may request the head of the relevant central administrative agency to take the following measures: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 14139, Mar. 29, 2016>

1. Where the enterpriser fails to take safety measures referred to in other statutes, the measures stipulated in such statutes;
2. Where other statutes do not prescribe safety criteria or standards, the following measures:
  - (a) Recommendation of removal, destruction, etc. pursuant to Article 49;
  - (b) Order of removal, destruction, etc. pursuant to Article 50;
  - (c) Disposition of fine for negligence pursuant to Article 86 (1) 1;
3. Formulating other measures to prevent damage to goods, etc.

#### **Article 47 (Duty to Report Information on Defects)**

(1) If an enterpriser has found that there exist any serious defects in the manufacture, design, or indication, etc. of goods, etc. supplied by him/ her to consumers that cause or are likely to cause any danger or injury to consumers' lives, bodies, or property, he/she shall report (including any electronic report; hereinafter the same shall apply) the contents of the defects to the head of the competent central administrative agency.

(2) The head of the central administrative agency, who has received the report pursuant to paragraph (1), shall request the testing and inspection institution under Article 17 or the Korea Consumer Agency, etc. to test and inspect the goods, etc. with respect to the contents of the defects reported by the enterpriser, and if the goods, etc. in question fall under any cause described in Article 49 or 50 as a result of such test and inspection, shall take necessary measures against the enterpriser pursuant to the relevant Article.

(3) The enterprisers liable to report the contents of defects under paragraph (1) shall be as follows:

1. A person who manufactures, imports or supplies goods, etc.;
2. A person who attaches his/her name, trade name, or other identification mark, etc. to goods to indicate himself/herself as their manufacturer;
3. A person who establishes and operates such a superstore as determined by the Presidential Decree among superstores under subparagraph 3 of Article 2 of the Distribution Industry Development Act;
4. A person who manufactures, imports, sells or supplies the goods, etc. that cause or might cause any danger or injury to consumers' lives, bodies or property, as prescribed by the Presidential Decree.

(4) Necessary matters for the scope of serious defects to be reported by enterprisers under paragraph (1) and for the time limit, procedures, etc. of the report shall be prescribed by the Presidential Decree.

#### **Article 47 (Duty to Report Information on Defects)**

(1) In any of the following cases, business entities shall report (including electronic report; hereinafter the same shall apply) the defects of goods, etc. manufactured, imported, sold or supplied by themselves to the head of the competent central administrative agency: Provided, That this shall not apply to cases falling under subparagraph 2 where the business entities remove, destroy, or repair such goods, etc., exchange them for other goods, etc., refund their costs, prohibit their manufacture, import, sale or supply, and take other necessary measures (hereinafter referred to as “removal, destruction, etc.”) pursuant to Article 48:  
<Amended by Act No. 15015, Oct. 31, 2017>

1. Where the business entities discover the fact that the goods, etc. manufactured, imported, sold or supplied by themselves have serious defects in their manufacture, design, or indication, etc., which cause or are likely to cause any danger or injury to the lives, health, or properties of customers;
2. Where the business entities take any of the following measures because the same goods, etc. as those manufactured, imported, sold or supplied by themselves have been found to have any defects in any foreign country or where the business entities discover the fact that other business entity of any foreign country has taken the relevant measure:

- (a) Removal, destruction, etc. conducted by the business entities, after having received a recommendation or order of removal, destruction, etc. from the foreign country;
- (b) Removal, destruction, etc. voluntarily conducted by the business entities.

(2) The head of the central administrative agency, who has received the report pursuant to paragraph (1), shall request the testing and inspection institution under Article 17 or the Korea Consumer Agency, etc. to test and inspect the goods, etc. with respect to the contents of the defects reported by the enterpriser, and if the goods, etc. in question fall under any cause described in Article 49 or 50 as a result of such test and inspection, shall take necessary measures against the enterpriser pursuant to the relevant Article.

(3) The enterprisers liable to report the contents of defects under paragraph (1) shall be as follows:

1. A person who manufactures, imports or supplies goods, etc.;
2. A person who attaches his/her name, trade name, or other identification mark, etc. to goods to indicate himself/herself as their manufacturer;
3. A person who establishes and operates such a superstore as determined by the Presidential Decree among superstores under subparagraph 3 of Article 2 of the Distribution Industry Development Act;
4. A person who manufactures, imports, sells or supplies the goods, etc. that cause or might cause any danger or injury to consumers' lives, bodies or property, as prescribed by the Presidential Decree.

(4) Necessary matters for the scope of serious defects to be reported by enterprisers under paragraph (1) and for the time limit, procedures, etc. of the report shall be prescribed by the Presidential Decree.

#### **Article 48 (Voluntary Removal, etc. of Goods, etc.)**

If an enterpriser deems that goods, etc. furnished by him/her to consumers cause or are likely to cause any danger or injury to consumers' lives, bodies, or property due to their defects, he/she shall remove, destroy, or repair such goods, etc., exchange them for other goods, etc., refund their costs, prohibit their

manufacture, import, sale or supply, or take other necessary measures under the conditions as prescribed by the Presidential Decree.

**Article 49 (Recommendation, etc. of Removal, Destruction, etc.)**

(1) If the head of a central administrative agency deems that goods, etc. furnished by an enterpriser cause or might cause any danger or injury to consumers' lives, bodies or property due to their defects, he/she may recommend the enterpriser to remove, destroy, or repair such goods, etc., to exchange them for other goods, etc., to refund their costs, to prohibit their manufacture, import, sale or supply, or to take other necessary measures.

(2) The enterpriser who has received the recommendation under paragraph (1) shall notify the head of the competent central administrative agency of whether or not to accept such recommendation.

(3) If the enterpriser accepts the recommendation under paragraph (1), he/she shall take the measures under Article 48.

(4) If the enterpriser who has received the recommendation under paragraph (1) refuses to comply with it without any justifiable reason, the head of the central administrative agency may publish the fact that the enterpriser has received such recommendation.

(5) Necessary matters for the recommendation, the acceptance of recommendation, and the publication procedures under paragraphs (1) through (4) shall be prescribed by the Presidential Decree.

**Article 50 (Order, etc. of Removal, Destruction, etc.)**

(1) If the head of a central administrative agency deems that a business entity causes or might cause any danger or injury to consumers' lives, bodies, or property due to any defect in goods, etc. furnished by him/her/it, he/she/it may order the business entity to remove, destroy, or repair such goods, etc., exchange them for other goods, etc., refund their costs, or prohibit the manufacture, import, sale or supply of them, and to repair facilities related to such goods, etc. or take other necessary measures, subject to the procedures determined by the Presidential Decree: Provided, That if it is deemed that such defect causes or might cause any urgent and significant danger or injury to consumers' lives, bodies or property and it is inevitable to prevent the occurrence or spread of such danger or injury, he/ she may do so without the said procedures.

(2) If the business entity fails to comply with the order as referred to in paragraph (1), the head of the central administrative agency may remove and destroy directly such goods, etc., or prohibit the supply of them, or take other necessary measures, under the conditions as prescribed by the Presidential Decree.

**Article 50 (Order, etc. of Removal, Destruction, etc.)**

(1) If the head of a central administrative agency deems that a business entity causes or might cause any danger or injury to consumers' lives, bodies, or property due to any defect in goods, etc. furnished by him/her/it, he/she/it may order the business entity to remove, destroy, or repair such goods, etc., exchange them for other goods, etc., refund their costs, or prohibit the manufacture, import, sale or supply of them, and to repair facilities related to such goods, etc. or take other necessary measures, subject to the procedures determined by the Presidential Decree: Provided, That if it is deemed that such defect causes or

might cause any urgent and significant danger or injury to consumers' lives, bodies or property and it is inevitable to prevent the occurrence or spread of such danger or injury, he/ she may do so without the said procedures.

(2) If the business entity fails to comply with the order as referred to in paragraph (1), the head of the central administrative agency may remove and destroy directly such goods, etc., or prohibit the supply of them, or take other necessary under the conditions as prescribed by the Presidential Decree.

(3) Where the head of the central administrative agency issues an order under paragraph (1) to any business entity, he/she may make such fact public. <Newly Inserted by Act No. 15015, Oct. 31, 2017>

(4) Matters necessary for publication under paragraph (3), such as methods for publication, shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 15015, Oct. 31, 2017>

#### **Article 51 (Establishment of Consumer Safety Center)**

(1) In order to assist the consumer safety policies, a Consumer Safety Center shall be established in the Korea Consumer Agency.

(2) The Consumer Safety Center shall have a director, and matters relating to its organization shall be determined by its articles of association.

(3) The duties of the Consumer Safety Center shall be as follows:

1. Collection and handling of information on dangers and injuries pursuant to Article 52;
2. Research and study necessary to secure consumer safety;
3. Education and public relations related to consumer safety;
4. Recommendation for correction of any defect in dangerous goods, etc.;
5. International cooperation concerning consumer safety;
6. Other business matters relating to consumer safety.

#### **Article 52 (Collection and Handling of Information on Dangers and Injuries)**

(1) The Consumer Safety Center may collect information on goods, etc. that cause or might cause any danger or injury to consumers' lives, bodies or property (hereinafter referred to as the "information on dangers and injuries").

(2) The director shall analyze the information on dangers and injuries collected pursuant to paragraph (1) and report to the president on the results thereof, and the president may take the measures provided for in the following subparagraphs if necessary in consequence of the analysis of information:

1. Issuance of a consumer safety warning to prevent any danger or injury and accident;
2. Publication of the matters relating to the safety of goods, etc.;
3. Recommendation of correction for enterprisers who supply any dangerous goods, etc.;
4. Proposal of corrective measures and systematic improvement to the State and local governments;
5. Other measures necessary to secure the safety of consumers, as prescribed by Presidential Decree.

(3) A person who is engaged in collecting and handling information on dangers and injuries pursuant to paragraphs (1) and (2) shall not divulge the names of the enterpriser and goods concerned, the extent of damage and the details of the case involved until the danger of the goods, etc. is confirmed and made

public.

(4) The Fair Trade Commission may, if necessary to assist the Consumer Safety Center in efficiently gathering information on dangers and injuries, designate and operate administrative agencies, hospitals, schools, consumer organizations, etc. as organs submitting information on dangers and injuries. <Amended by Act No. 8852, Feb. 29, 2008>

(5) Necessary matters concerning the collection, handling, etc. of information on dangers and injuries pursuant to paragraphs (1) and (2) shall be prescribed by Presidential Decree.

#### **Article 53 (Establishment and Operation of Consumer Consulting Organs)**

(1) Enterprisers and enterprise organizations shall actively strive to establish and operate organs to reflect consumers' opinions or complaints, etc. in the management of the enterprises concerned and to deal with consumers' damages speedily (hereinafter referred to as "consumer consulting organs").

(2) Enterprisers and enterprise organizations shall actively endeavor to hire and post the employees who take full charge of consultation on consumers' complaints or damages, such as those holding qualifications concerned under the National Technical Qualifications Act.

#### **Article 54 (Encouragement of Establishment of Consumer Consulting Organs)**

(1) The head of a central administrative agency or a Mayor/Do Governor may encourage enterprisers or enterpriser organizations to establish and operate consumer consulting organs or provide them with supports necessary for the establishment and operation thereof. <Amended by Act No. 14139, Mar. 29, 2016>

(2) The Fair Trade Commission may determine and publish the encouragement criteria for establishment and operation of consumer consulting organs. <Amended by Act No. 8852, Feb. 29, 2008>

#### **Article 55 (Application, etc. for Remedy for Damages)**

(1) Consumers may apply for remedy for damages caused by use of goods, etc. to the Korea Consumer Agency.

(2) Where the State, a local government or a consumer organization receives an application for remedy for damages from a consumer, the settlement of it may be entrusted to the Korea Consumer Agency.

(3) An enterpriser may, upon receipt of an application for remedy for damages from a consumer, may entrust the Korea Consumer Agency with the settlement thereof only in case of falling under any one of the following subparagraphs:

1. Where no agreement is reached even after thirty days have passed since the date when the application for remedy for damages was filed by the consumer;
2. Where an agreement is made with the consumer to entrust the settlement of the remedy for damages to the Korea Consumer Agency;
3. Where, otherwise, it is necessary for the Korea Consumer Agency to deal with the remedy for damages, as determined by Presidential Decree.

(4) Where the president receives an application for remedy for damages under paragraph (1) (including entrustment of the remedy for damages under paragraphs (2) and (3); hereafter in this Section, the same shall apply), if its contents are judged unsuitable to be settled by the Korea Consumer Agency, he/she may

inform the applicant of the reason and discontinue the settlement of the case.

#### **Article 56 (Notification, etc. of Illegal Facts)**

When the president has found in the course of settlement of a case claiming a remedy for damages the fact that the party or interested person violated any Act or subordinate statute, he/she shall notify the agency concerned of such fact and request it to take proper measures: Provided, That this shall not apply to the following cases: *<Amended by Act No. 10678, May 19, 2011>*

1. When the party of a case claiming a remedy for damages reaches an agreement with respect to compensation of damages and rectifies a violation of an Act or subordinate statute;
2. When an agency concerned recognizes in advance the violating fact of an Act or subordinate statute, and examines.

#### **Article 57 (Recommendation of Agreement)**

The president may recommend the parties of an application for remedy for damages to agree on compensation for damages.

#### **Article 58 (Period of Settlement)**

If an agreement as referred to in Article 57 is not reached within thirty days after receiving an application for remedy for damages under Article 55 (1) through (3), the president shall immediately apply for the settlement of the dispute concerned to the Consumer Dispute Settlement Commission provided for in Article 60: Provided, That with respect to the damage remedy application cases that require a considerable time to inquire into the causes of damages, as prescribed by the Presidential Decree, the period of the settlement may be extended up to sixty days.

#### **Article 59 (Discontinuation of Procedure for Remedy for Damages)**

- (1) If one of the parties brings a lawsuit to a competent court during a procedure for settlement of remedy for damages which is taken by the Korea Consumer Agency, he/she shall notify the Korea Consumer Agency thereof.
- (2) The Korea Consumer Agency shall, if it becomes aware that the party raised the lawsuit concerned, discontinue without delay the procedure for remedy for damages and notify it to the parties.

#### **Article 60 (Establishment of Consumer Dispute Settlement Commission)**

- (1) In order to mediate disputes raised between consumers and enterprisers, a Consumer Dispute Settlement Commission (hereinafter referred to as the "Settlement Commission") shall be established in the Korea Consumers Agency.
- (2) The Settlement Commission shall deliberate and decide the following matters:
  1. Settlement decisions on consumer disputes;
  2. Establishment, revision and repeal of the rules on proceedings of the Settlement Commission;
  3. Other matters referred to it by the president for discussion.
- (3) Necessary matters concerning operation, settlement procedure, etc. of the Settlement Commission shall be determined by the Presidential Decree.



### **Article 61 (Composition of Settlement Commission)**

(1) The Settlement Commission shall be composed of 150 or less members, including a chairperson, of whom five members including the chairperson shall work full-time, and the others, part-time. *<Amended by Act No. 15015, Oct. 31, 2017>*

(2) Members shall be appointed or commissioned by the Chairperson of the Fair Trade Commission upon the proposition of the president, under the conditions as prescribed by the Presidential Decree, from among the below enumerated persons:

1. Those who are or were in a position equivalent to or higher than associate professor in a college, university or authorized research institution, and have majored in a field related to consumers' rights and interests;
2. Those who are or were in a position of public official of Grade IV or higher or the equivalent position in a public institution, and have experience of practice in any business relating to consumers' rights and interests;
3. Those who are qualified as judge, public prosecutor or attorney-at-law;
4. Those who are or were in a position of officer at a consumer organization;
5. Those who are or were in a position of officer at an enterpriser or enterpriser organization;
6. Other those who have extensive learning and experience in any business relating to consumers' rights and interests.

(3) The chairperson shall be appointed by the Chairperson of the Fair Trade Commission from among full-time members.

(4) When the chairperson is unable to perform his/her duties for any unavoidable reason, a full-time member who is not the chairperson shall act for the chairperson, and when such full-time member is unable to perform his/her duties on behalf of the chairperson for any unavoidable reason, a member designated by the Chairperson of the Fair Trade Commission shall act for the chairperson.

(5) The terms of office of members shall be three years, and they may be renewable.

(6) In order to carry out efficiently activities of the Settlement Commission, the expert committees classified by field of activities may be established in the Settlement Commission.

(7) Matters necessary for composition and operation of expert committees as referred to in paragraph (6) shall be determined by the Presidential Decree.

### **Article 62 (Guarantee of Members' Status)**

No member of the Settlement Commission shall be removed from office against his/her will, except falling under any of the following:

1. When he/she is sentenced to the punishment of qualification suspension or a severer one;
2. When he/she is unable to perform his/her duties owing to a physical or mental incompetence or other grounds.

### **Article 63 (Meetings of Settlement Commission)**

(1) A meeting of the Settlement Commission shall be classified in accordance with the following:

1. Meeting for dispute settlement: It shall be comprised of the chairperson, full-time member, and not less than five but not more than nine members designated by the chairperson at the time of each meeting;

2. Department for settlement: It shall be comprised of the chairperson or full-time member, and not less than two but not more than four members designated by the chairperson at the time of each meeting.

(2) A meeting of the Settlement Commission shall be presided over in accordance with the following:

1. Meeting for dispute settlement: Chairperson;

2. Department for settlement: Chairperson or full-time member.

(3) A meeting of the Settlement Commission shall pass resolutions with the attendance of a majority of the total members and with a concurrent vote of a majority of those present. In such cases, members who represent consumers and enterprisers, equally not less than one, respectively, shall be included in a meeting of the Settlement Commission.

#### **Article 63-2 (Details in Charge of Meetings for Dispute Settlement and Department for Settlement)**

(1) A meeting for dispute settlement shall deliberate on and resolve the following:

1. Settlement with respect to consumers' dispute of not less than the amount determined by Presidential Decree among consumers' dispute under Article 60 (2) 1;

2. The establishment, amendment or abolition of the regulations with respect to proceedings of the Settlement Commission under Article 60 (2) 2;

3. Settlement of dispute requested or applied to the Settlement Commission under Article 68 (1);

4. Matters which have been decided to deal with in a meeting for dispute settlement by the department for settlement.

(2) The department for settlement shall deliberate on or resolve matters, other than those referred to in each subparagraph of paragraph (1).

#### **Article 64 (Exclusion, Challenge and Evasion of Members)**

(1) Any member of the Settlement Commission shall be excluded from a deliberation and decision on the dispute settlement case (hereafter in this Article referred to as the "case") brought before the Settlement Commission pursuant to Article 58 or 65 (1) in case falling under any one of the following subparagraphs:

1. Where he/she or his/her spouse or ex-spouse becomes a party to the case, or has a relation to the case as a person having a joint right or obligation;

2. Where he/she is or was in kinship with a party of the case;

3. Where he/she has given testimony or expert opinion on the case;

4. Where he/she takes or took part in the case as a representative of a party.

(2) If there exist circumstances under which it is difficult to expect an impartial deliberation and decision from a member, the party may apply for a challenge to the president. In this case, the president shall decide on the application for challenge without a decision from the Settlement Commission.

(3) If a member falls under any cause as referred to in paragraph (1) or (2), he/she may voluntarily refrain from the deliberation and decision of the case.

#### **Article 65 (Settlement of Disputes)**

(1) If a dispute raised between a consumer and an enterpriser is not settled in an organ established pursuant to Article 16 (1) or no agreement is reached between them complying with the recommendation of agreement as prescribed in Article 28 (1) 5, the parties or the head of the organ or organization concerned may apply for settlement of the dispute to the Settlement Commission.

(2) The Settlement Commission shall, upon receiving an application for dispute settlement under Article 58 or the above paragraph (1), commence without delay the procedure for the dispute settlement, under the conditions as prescribed by the Presidential Decree.

(3) If it is required for the dispute settlement as referred to in paragraph (2), the Settlement Commission may seek any advice of the expert committee concerned under Article 61 (6).

(4) The Settlement Commission may hear the opinions of the interested persons, consumer organizations or agencies concerned, prior to the dispute settlement procedure as referred to in paragraph (2).

(5) The provisions of Article 59 shall be applicable mutatis mutandis with respect to the discontinuance of the dispute settlement procedure.

#### **Article 66 (Term of Dispute Settlement)**

(1) When the Settlement Commission receives an application for dispute settlement under Article 58 or 65 (1), it shall complete the dispute settlement within thirty days from the date when the application is received.

(2) Notwithstanding the provisions of paragraph (1), in case where it is impossible to complete the dispute settlement within thirty days due to inevitable circumstances, the Settlement Commission may extend the period. In this case, it shall inform the parties and their representatives thereof specifying the reasons therefor and the period.

#### **Article 66 (Term of Dispute Settlement)**

(1) When the Settlement Commission receives an application for dispute settlement under Article 58 or 65 (1), it shall complete the dispute settlement within thirty days from the date when the application is received.

(2) Notwithstanding the provisions of paragraph (1), in case where it is impossible to complete the dispute settlement within thirty days due to any justifiable reason, the Settlement Commission may extend the period. In this case, it shall inform the parties and their representatives thereof specifying the reasons therefor and the period. *<Amended by Act No. 15015, Oct. 31, 2017>*

#### **Article 67 (Effect, etc. of Dispute Settlement)**

(1) When a dispute settlement is completed under Article 66, the chair person of the Settlement Commission shall promptly notify the parties of the contents thereof.

(2) The parties shall, upon receipt of a notification referred to in paragraph (1), inform the Settlement Commission of the acceptance or refusal of the contents of the dispute settlement within fifteen days after

receiving such notification. In this case, if they fail to express their intention within the fifteen days, they shall be considered to have accepted the dispute settlement.

(3) If the parties accept or are considered to have accepted the contents of the dispute settlement pursuant to paragraph (2), the Settlement Commission shall prepare a settlement protocol on which the chairperson of the Settlement Commission and the parties shall write and put their names and signatures: Provided, That if the parties are considered to have accepted the contents of the dispute settlement, it shall not be required to write and put their names and signatures.

(4) If the parties accept or are considered to have accepted the contents of the dispute settlement pursuant to paragraph (2), the contents of the dispute settlement shall have the same effect as a judicial compromise.

#### **Article 68 (Special Cases of Dispute Settlement)**

(1) Notwithstanding Article 65 (1), with respect to any cases of causing damage to many consumers in the same or similar type, as prescribed by Presidential Decree, the State, a local government, the Korea Consumer Agency, a consumer organization, customers, or enterprisers may make a request or file an application to the Settlement Commission to mediate the disputes collectively (hereinafter referred to as "collective dispute settlement"). *<Amended by Act No. 14139, Mar. 29, 2016>*

(2) Upon receipt of a request or application for collective dispute settlement under paragraph (1), the Settlement Commission may commence procedures for collective dispute settlement under paragraphs (3) and (5) through (7) by its resolution. In such cases, the Settlement Commission shall publicly announce the commencement of the procedures for the period determined by Presidential Decree. *<Amended by Act No. 10678, May 19, 2011>*

(3) The Settlement Commission may receive an application from a consumer or enterpriser, other than the parties to collective dispute settlement, to be additionally included in such parties.

(4) Deleted. *<by Act No. 10678, May 19, 2011>*

(5) If an enterpriser accepts the terms of collective dispute settlement presented by the Settlement Commission, the Settlement Commission may recommend him/her to prepare a compensation plan for consumers who are not parties to the collective dispute settlement but suffered damage and to submit it to the Settlement Commission.

(6) Notwithstanding Article 65 (5), if some of the consumers who are parties to collective dispute settlement file a lawsuit with a court, the Settlement Commission shall not discontinue its procedures, but shall exclude such consumers from the relevant procedures.

(7) Notwithstanding Article 66 (1), the collective dispute settlement shall be finalized within 30 days from the day following the end of public announcement referred to in paragraph (2): Provided, That if the dispute settlement cannot be finalized within the competent period due to inevitable grounds, the period may be extended only on two occasions, by up to 30 days, respectively. In such cases, the Settlement Commission shall provide details of the grounds and period and notify the party and its agency thereof.

*<Amended by Act No. 10678, May 19, 2011>*

(8) Necessary matters concerning procedures, etc. for collective dispute settlement shall be prescribed by Presidential Decree.

#### **Article 68 (Special Cases of Dispute Settlement)**

(1) Notwithstanding Article 65 (1), with respect to any cases of causing damage to many consumers in the same or similar type, as prescribed by Presidential Decree, the State, a local government, the Korea Consumer Agency, a consumer organization, customers, or enterprisers may make a request or file an application to the Settlement Commission to mediate the disputes collectively (hereinafter referred to as "collective dispute settlement"). *<Amended by Act No. 14139, Mar. 29, 2016>*

(2) Upon receipt of a request or application for collective dispute settlement under paragraph (1), the Settlement Commission may commence procedures for collective dispute settlement under paragraphs (3) and (5) through (7) by its resolution. In such cases, the Settlement Commission shall publicly announce the commencement of the procedures for the period determined by Presidential Decree. *<Amended by Act No. 10678, May 19, 2011>*

(3) The Settlement Commission may receive an application from a consumer or enterpriser, other than the parties to collective dispute settlement, to be additionally included in such parties.

(4) Deleted. *<by Act No. 10678, May 19, 2011>*

(5) If an enterpriser accepts the terms of collective dispute settlement presented by the Settlement Commission, the Settlement Commission may recommend him/her to prepare a compensation plan for consumers who are not parties to the collective dispute settlement but suffered damage and to submit it to the Settlement Commission.

(6) Notwithstanding Article 65 (5), if some of the consumers who are parties to collective dispute settlement file a lawsuit with a court, the Settlement Commission shall not discontinue its procedures, but shall exclude such consumers from the relevant procedures.

(7) Notwithstanding Article 66 (1), the collective dispute settlement shall be finalized within 30 days from the day following the end of public announcement referred to in paragraph (2): Provided, That if the dispute settlement cannot be finalized within the competent period due to any justifiable reason, the period may be extended only on two occasions, by up to 30 days, respectively. In such cases, the Settlement Commission shall provide details of the grounds and period and notify the party and its agency thereof. *<Amended by Act No. 10678, May 19, 2011; Act No. 15015, Oct. 31, 2017>*

(8) Necessary matters concerning procedures, etc. for collective dispute settlement shall be prescribed by Presidential Decree.

#### **Article 68-2 (Appointment, etc. of Representative Party)**

(1) The parties who have a stake in the collective dispute settlement may appoint three or less members among parties as the representative party.

(2) When the parties fail to appoint the representative party under paragraph (1), if deemed necessary, the Settlement Commission may recommend the parties to appoint the representative party.

(3) The representative party may perform any act with respect to the settlement of the relevant case for parties who have appointed him/her. Provided, That as for the withdrawal of settlement application, and acceptance and refusal of settlement proposal, he/she shall receive a written consent from parties by whom he/she has been appointed.

(4) The parties who have appointed the representative party may perform any act only through the representative party with respect to the settlement of the relevant case.

(5) The parties who have appointed the representative party may, if deemed necessary, dismiss or change the representative party. In such cases, the parties shall immediately notify the Settlement Commission of the fact.

#### **Article 68-3 (Interruption of Prescription)**

(1) An application for dispute settlement referred to in Articles 58 and 65 (1) and a request or application for collective dispute settlement referred to in Article 68 (1) and (3) shall have an effect of interrupting prescription: Provided, That except in any of the following cases, where a procedure for dispute settlement or a procedure for collective dispute settlement is terminated, the abovementioned application or request shall not have an effect of interrupting prescription, unless a lawsuit is instituted within one month from the date such procedure is terminated:

1. Where parties to a dispute accept or are deemed to accept the terms of the dispute settlement or collective dispute settlement;
2. Where one or both parties to a dispute do not accept the terms of the dispute settlement or collective dispute settlement.

(2) Prescription interrupted pursuant to the main sentence of paragraph (1) shall resume running where a case falling under any subparagraph of paragraph (1) occurs.

#### **Article 69 (Applying Mutatis Mutandis Judicial Conciliation of Civil Disputes Act)**

With respect to the matters, other than those prescribed in this Act, concerning the operation and settlement procedures of the Settlement Commission, the Judicial Conciliation of Civil Disputes Act shall be applicable mutatis mutandis.

#### **Article 70 (Subject Matter, etc. of Class Action)**

If an enterpriser infringes directly on the rights and interests of consumers relating to their lives, bodies, or property in violation of Article 20 and the infringement continues, any of the following organizations may file an action with a court to prohibit and suspend the infringement of consumers' rights and interests (hereinafter referred to as "class action"): <Amended by Act No. 14139, Mar. 29, 2016>

1. A consumer organization which is registered with the Fair Trade Commission pursuant to Article 29 and meets each of the following requirements:
  - (a) An organization which is aimed mainly at the promotion of consumers' rights and interests pursuant to its articles of association;
  - (b) An organization the number of whose regular members is at least one thousand;

- (c) An organization for which three years have passed since it was registered pursuant to Article 29;
2. The Korea Consumer Agency established pursuant to Article 33;
  3. The Korea Chamber of Commerce and Industry under the Chambers of Commerce and Industry Act, the federation of small and medium enterprise cooperatives under the Small and Medium Enterprise Cooperatives Act, and a nationwide economic organization prescribed by Presidential Decree;
  4. A non-profit and non-governmental organization under Article 2 of the Assistance for Non-Profit, Non-Governmental Organizations Act which meets each of the following requirements:
    - (a) An organization which is requested to institute a class action by at least fifty consumers who suffered legally or factually identical damages;
    - (b) An organization which has the actual results of activities for at least the preceding three years according to the purpose of promoting the rights and interests of consumers specified in its articles of association;
    - (c) An organization the number of whose regular members is at least five thousand;
    - (d) An organization which is registered with a central administrative agency.

#### **Article 71 (Exclusive Jurisdiction)**

(1) A class action lawsuit shall be under the exclusive jurisdiction of the collegiate panel of a district court having jurisdiction over the place where the defendant's principal office or business place is located, and if the defendant has no principal office and business place, the domicile of the person principally in charge of the defendant's duties is located.

(2) In case where paragraph (1) applies to a foreign enterpriser, the forum shall be determined pursuant to his/her principal office or business place, or the domicile of the person principally in charge of his/her duties, which is located in the Republic of Korea.

#### **Article 72 (Appointment of Attorney)**

The plaintiff in a class action shall appoint a lawyer as his/her attorney.

#### **Article 73 (Application for Permission of Action)**

(1) An organization which seeks to institute a class action shall submit to a court an application for the permission of the action specifying the matters provided for in the following subparagraphs, along with a written complaint:

1. The plaintiff and his/her attorney;
2. The defendant;
3. The scope of the infringement of consumers' rights and interests by the enterpriser concerned, which requires the prohibition or suspension.

(2) An application for the permission of the class action under paragraph (1) shall be accompanied by the materials referred to in the following subparagraphs:

1. Materials proving that the organization which institutes the class action meets the requirements provided for in any subparagraph of Article 70;

2. Documents requested by the organization which institutes the class action pursuant to Article 74 (1) 3 and the written opinion thereon presented by the enterpriser concerned: Provided, That if the enterpriser gives no response within a period fixed under the said subparagraph, the enterpriser's written opinion may be omitted.

#### **Article 74 (Requirements, etc. for Permission of Action)**

(1) A court shall permit a class action, by its ruling, only in cases where all requirements as referred to in the following subparagraphs are met:

1. That there is any public need for permitting such class action in the light of the protection of consumers' rights and interests and the prevention of any damage to them, because the goods, etc. concerned cause or might cause any danger or injury to consumers' lives, bodies or property;
2. That there is no defect in the matters entered in the application for the permission of action under Article 73;
3. That fourteen days have passed since the organization instituting the action asked the enterpriser concerned, in writing, to prohibit and suspend the infringement of consumers' rights and interests.

(2) An immediate appeal may be raised against the ruling to permit or not to permit the class action.

#### **Article 75 (Effect of Final and Conclusive Judgment)**

When a judgment to reject a request made by a plaintiff became final and conclusive, any such other organization as referred to in Article 70 may not a class action with regard to the same matter: Provided, That this shall not apply to a case falling under any one of the following subparagraphs:

1. When a new research result or evidence is found by an institution, which is established by the State or a local government, with respect to the rejected case after the judgment became final and conclusive;
2. When the judgment of rejection is found to have been caused by any intentional act of the plaintiff.

#### **Article 76 (Application of Civil Procedure Act, etc.)**

(1) Except as otherwise prescribed in this Act, the class actions shall be governed by the provisions of the Civil Procedure Act.

(2) When a decision to permit a class action is made pursuant to Article 74, the preservative measures provided for in Part IV of the Civil Execution Act may be taken.

(3) Necessary matters regarding the procedures of class actions shall be prescribed by the Supreme Court Regulations.

#### **Article 77 (Inspection, Submission of Materials, etc.)**

(1) The head of a central administrative agency may have any public official under his/her control conduct an inspection on the goods, facilities, manufacturing process and other things of an enterpriser, or order the enterpriser to make a report on his/her business or to submit the goods, documents, etc. concerned, on such terms and conditions as the Presidential Decree may determine in case of any one of the following subparagraphs:

1. Where it is necessary to provide information for consumers pursuant to Article 13;



2. Where it is necessary to handle consumers' complaints and damages pursuant to Article 16 (1);
  3. Where it is necessary to confirm whether the enterpriser has violated this Act.
- (2) When there is any reasonable ground to have doubt about the safety of goods, etc., as prescribed by the Presidential Decree, the head of a central administrative agency may have any public official under his/her control enter the places of business and manufacture, warehouses and other storing places, offices, and other similar places of the enterpriser concerned to conduct an inspection, etc. pursuant to paragraph (1).
- (3) Any public official who conducts the inspection, etc. under paragraph (1) or (2) shall carry with himself/herself a certificate indicating his/her competence, and show it to the persons concerned.
- (4) Any public official who is engaged in the duties as prescribed by this Act shall not use the particulars which he/she has learned through the inspection, submitted goods or documents, etc. as referred to in paragraph (1) or (2), for any purpose other than that for enforcing this Act.
- (5) The head of a central administrative agency may, if necessary to take policy measures for the promotion of consumers' rights and interests under his/her jurisdiction, request the president to furnish information necessary for the protection of consumers' rights and interests such as the state of damage and the results of investigation into actual conditions of consumers.

#### **Article 78 (Request, etc. for Provision of Data and Information)**

- (1) A consumer organization or the Korea Consumer Agency may request an enterpriser or enterpriser organization to provide data and information necessary to promote its activities. In this case, the enterpriser or enterpriser organization shall comply with such request unless there exists any justifiable cause.
- (2) A consumer organization or the Korea Consumer Agency which makes a request for the provision of data and information pursuant to paragraph (1) shall inform the enterpriser or enterpriser organization in advance of the purpose, procedures, etc. for using such data and information.
- (3) In making a request for data and information pursuant to paragraph (1), the consumer organization shall do so after prior consultation and coordination with the Consumer Information Request Council under Article 79.
- (4) The matters relating to the qualifications for consumer organizations which can request data and information pursuant to paragraph (1) and the scope, etc. of the data and information shall be determined by Presidential Decree.
- (5) Data and information with which an enterpriser or enterpriser organization provides a consumer organization pursuant to paragraphs (1) through (4) shall not be used for purposes and in procedures other than those notified in advance to the enterpriser or enterpriser organization.

#### **Article 79 (Consumer Information Request Council)**

- (1) A Consumer Information Request Council (hereinafter referred to as the "Council") shall be established in the Korea Consumer Agency to deliberate on and coordinate the following matters relating to a request for the provision of data and information by consumer organizations under Article 78 (1):

1. Matters relating to the scope of and the purpose and procedures for use of data and information requested by consumer organizations;
  2. Other matters as determined by Presidential Decree.
- (2) The composition and operation of the Council and other necessary matters shall be determined by Presidential Decree.

**Article 80 (Corrective Measures, etc.)**

- (1) If an enterpriser violates Article 20, the head of the central administrative agency concerned may order the enterpriser to suspend the act of violation or take other measures necessary for correction.
- (2) The head of the central administrative agency may order the enterpriser to make public the fact that he/she received the corrective order pursuant to paragraph (1).

**Article 81 (Request, etc. for Corrective Measures)**

- (1) If it is necessary to judge whether an enterpriser has violated Article 20, the State and local governments may request a registered consumer organization or the Korea Consumer Agency to investigate it.
- (2) If it is found that an enterpriser has violated Article 20, the Fair Trade Commission may request any proper measures necessary for correction of such violation from the head of the central administrative agency having the control over the goods, etc. concerned. *<Amended by Act No. 8852, Feb. 29, 2008>*

**Article 82 (Hearings)**

Where the head of a central administrative agency intends to take measures such as orders under Article 30, 50 or 80, he/she shall hold hearings: Provided, That this shall not apply to the case of the proviso of Article 50 (1).

**Article 82 (Hearings)**

Where the head of a central administrative agency intends to take measures such as orders under Article 20-3 (3), 20-4 (1), 30, 50 or 80, he/she shall hold hearings: Provided, That this shall not apply to the case of the proviso of Article 50 (1). *<Amended by Act No. 15015, Oct. 31, 2017>*

**Article 83 (Delegation, Entrustment, etc. of Authority)**

- (1) The head of a central administrative agency may partially delegate his/her authority granted under this Act to a Mayor/Do Governor, as Presidential Decree.
- (2) The head of a central administrative agency may entrust the Korea Consumer Agency with his/her authority granted under Article 77 (1), in any of the following cases: *<Amended by Act No. 8983, Mar. 21, 2008; Act No. 14139, Mar. 29, 2016>*
  1. Where the test, inspection, or investigation is requested to the Korea Consumer Agency under Article 17 (2);
  2. Where it is deemed necessary for verification of the fact, in settling any remedy for damages case applied for or requested to the Korea Consumer Agency under Article 55 (1) through (3);
  3. Where the President of the Korea Consumer Agency requests that it is necessary for taking measures under Articles 35 (1) 2 and 52 (2) 1 through 3;

4. Where the State or a local government requests the Korea Consumer Agency to make an investigation pursuant to Article 81 (1).

(3) Article 77 (3) and (4) shall apply mutatis mutandis to an employee of the Korea Consumer Agency who exercises authority, such as conducting an inspection, etc. under Article 77 (1), upon entrustment by the head of a central administrative agency pursuant to paragraph (2). <Amended by Act No. 8983, Mar. 21, 2008>

#### **Article 84 (Penal Provisions)**

(1) Any person who falls under any one of the following subparagraphs shall be punished by imprisonment for not more than three years or by a fine not exceeding 50 million won:

1. A person who violates an order issued under Article 50 or 80;
2. A person who uses the particulars which he/she learns through the inspection, etc. for any purpose other than that for enforcing this Act, in violation of Article 77 (4) (including the cases where it applies mutatis mutandis under Article 83 (3));
3. A person who uses the data and information provided for purposes and in procedures other than those designated, in violation of Article 78 (5).

(2) A person who divulges information on dangers and injuries in violation of Article 52 (3) shall be punished by imprisonment for not more than one year or by a fine not exceeding 30 million won.

(3) In cases under paragraph (1), both punishment of imprisonment and a fine may be imposed concurrently.

#### **Article 85 (Joint Penal Provisions)**

If the representative of a juristic person, or an agent, employee or worker of a juristic person or individual has committed a violation provided for in Article 84 with regard to the business of the juristic person or individual, not only the violator shall be punished but also the juristic person or individual shall be punished by a fine under the relevant provisions: Provided, That this shall not apply where the juristic person or individual has not neglected due attention and supervision with regard to the relevant business in order to prevent such violation.

#### **Article 86 (Administrative Fines)**

(1) Any of the following persons shall be punished by an administrative fine not exceeding 30 million won:

1. Any person who violates Article 20;
2. Any person who uses the same or similar name in violation of Article 37;
3. Any person who fails to make a report on any serious defect in goods, etc. or makes a false report thereon, in violation of Article 47 (1);
4. Any person who refuses, interferes with, or evades the inspection or entry provided for in Article 77 (1) or (2), who fails to make a report on his/her business or makes a false report thereon, or who fails to present related goods, documents, etc. or presents them falsely.

(2) The administrative fine under paragraph (1) shall be imposed and collected by the head of the central administrative agency or Mayor/Do governor as prescribed by Presidential Decree. <Amended by Act No. 10170, Mar. 22, 2010>

(3) through (6) Deleted. <by Act No. 10170, Mar. 22, 2010>

#### **Article 86 (Administrative Fines)**

(1) Any of the following persons shall be punished by an administrative fine not exceeding 30 million won: <Amended by Act No. 15015, Oct. 31, 2017>

1. Any person who violates Article 20;
2. Any person who uses the same or similar name in violation of Article 37;
3. Any person who fails to discharge or falsely discharge a duty to report, in violation of Article 47 (1);
4. Any person who refuses, interferes with, or evades the inspection or entry provided for in Article 77 (1) or (2), who fails to make a report on his/her business or makes a false report thereon, or who fails to present related goods, documents, etc. or presents them falsely.

(2) The administrative fine under paragraph (1) shall be imposed and collected by the head of the central administrative agency or Mayor/Do governor as prescribed by Presidential Decree. <Amended by Act No. 10170, Mar. 22, 2010>

(3) through (6) Deleted. <by Act No. 10170, Mar. 22, 2010>

#### ADDENDA

##### **Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation: Provided, That the amended provisions of Articles 70 through 76 shall take effect on January 1, 2008.

##### **Article 2 (Applicability to Establishment of Basic Plan and Implementation Plan for Consumer Policy)**

The basic plan, central administrative agency implementation plans, City/Do implementation plans, and comprehensive implementation plan shall apply starting with those for the year following the one which this Act takes effect.

##### **Article 3 (Applicability to Term of Office of Korea Consumer Agency' Auditor)**

The amended provisions of Article 38 (6) concerning the term of office of an auditor shall apply to an auditor who is appointed on or after the enforcement date of this Act.

##### **Article 4 (Applicability to Korea Consumer Agency' Report on Settlement of Accounts and Statement of Auditor's Opinion Thereon)**

The amended provisions of Article 42 (2) shall apply to the report on the settlement of accounts and the statement of auditor's opinion thereon which are filed by the Korea Consumer Agency with the Fair Trade Commission on or after the enforcement date of this Act.

##### **Article 5 (Applicability to Settlement of Application for Remedy for Damages of Consumer Which is Entrusted by Enterpriser to Korea Consumer Agency)**

The amended provisions of Article 55 (3) shall apply to any application for remedy for damages which an enterpriser receives from a consumer on or after the enforcement date of this Act.

**Article 6 (Applicability to Period during Which Korea Consumer Agency is to Settle Application for Remedy for Damages)**

The amended provisions of the proviso of Article 58 shall apply to any application or request for remedy for damages which is filed with the Korea Consumer Agency pursuant to the amended provisions of Article 55 (1) through (3) on or after the enforcement date of this Act.

**Article 7 (Transitional Measures concerning Consumer Policy Deliberative Committee)**

(1) The Consumer Policy Deliberative Committee established in the Ministry of Finance and Economy pursuant to Article 21 of the former Consumer Protection Act at the time of the entry into force of this Act shall be deemed the Consumer Policy Committee under the amended provisions of Article 23.

(2) The members of the Consumer Policy Deliberative Committee commissioned pursuant to Article 22 of the former Consumer Protection Act at the time of the entry into force of this Act shall be deemed the members of the Consumer Policy Committee commissioned under the amended provisions of Article 24, whose terms of office shall be reckoned from the date when they are appointed pursuant to the previous provisions.

**Article 8 (Transitional Measures concerning Registration of Consumer Organization)**

The consumer organization registered pursuant to Article 19 (1) of the former Consumer Protection Act at the time of the entry into force of this Act shall be deemed the consumer organization registered in accordance with the requirements referred to in the amended provisions of Article 29 (1): Provided, That the consumer organization which fails to meet the requirements referred to in subparagraphs of Article 29 (1) shall satisfy the requirements within one year from the date when this Act takes effect, and if it fails to satisfy the requirements within the said period, the Fair Trade Commission or the head of the local government concerned shall revoke its registration pursuant to the amended provisions of Article 30.

**Article 9 (Transitional Measures concerning Korea Consumer Protection Board, etc.)**

(1) The Korea Consumer Protection Board established pursuant to Article 26 of the former Consumer Protection Act at the time of the entry into force of this Act shall be deemed the Korea Consumer Agency under the amended provisions of Article 33.

(2) Any acts done by or against the Korea Consumer Protection Board, the Consumers Dispute Settlement Commission, the consumer information request council or the president of the Korea Consumer Protection Board (hereinafter referred to as the "Korea Consumer Protection Board, etc."; hereinafter the same shall apply) under the former Consumer Protection Act at the time of the entry into force of this Act shall be deemed any acts done by or against the Korea Consumer Agency, the Consumer Dispute Settlement Commission, the Consumer Information Request Council or the president of the Korea Consumer Agency (hereinafter referred to as the "Korea Consumer Agency, etc."; hereinafter the same shall apply) under the corresponding provisions of this Act.

(3) The officers of the Korea Consumer Protection Board and the members of the Consumers Dispute Settlement Commission appointed or commissioned pursuant to Article 31 or 35 of the former Consumer Protection Act at the time of the entry into force of this Act shall be deemed the officers of the Korea Consumer Agency and the members of the Consumer Dispute Settlement Commission appointed or commissioned under the amended provisions of Article 38 or 61, whose terms of office shall be reckoned from the date when they are appointed or commissioned pursuant to the previous provisions.

(4) The contributions made by the State to the Korea Consumer Protection Board pursuant to Article 47 of the former Consumer Protection Act at the time of the entry into force of this Act shall be deemed the contributions made by the State pursuant to the amended provisions of subparagraph 1 of Article 41.

(5) The name of the "Korea Consumer Protection Board" indicated in any register or other public records relating to the Korea Consumer Protection Board at the time of the entry into force of this Act shall be deemed the name of the "Korea Consumer Agency", respectively.

**Article 10 (Transitional Measures concerning Administrative Disposition, etc.)**

Any administrative disposition, etc. made by the State, local governments, the heads of central administrative agencies, etc. (excluding the Korea Consumer Protection Board, etc.; hereafter in this Article referred to as the "State, etc."), or any registration application, etc. filed with the State, etc. pursuant to the former Consumer Protection Act at the time when this Act enters into force shall be deemed any administrative disposition, etc. or any registration application, etc. under the corresponding provisions of this Act.

**Article 11 (Transitional Measures concerning Penal Provisions, etc.)**

The application of the penalties and fines for negligence to any acts committed before this Act enters into force shall be pursuant to the former Consumer Protection Act.

**Article 12 Omitted.**

**Article 13 (Relation to other Acts and Subordinate Statutes)**

In case where other Acts and subordinate statutes cite the former Consumer Protection Act or the provisions thereof at the time when this Act enters into force, if this Act includes the provisions corresponding thereto, this Act or the corresponding provisions of this Act shall be considered to be cited in lieu of the former provisions.

ADDENDA <Act No. 8852, Feb. 29, 2008>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 7 Omitted.**

ADDENDUM <Act No. 8983, Mar. 21, 2008>

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

ADDENDUM <Act No. 9257, Dec. 26, 2008>

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

ADDENDA <Act No. 9785, Jul. 31, 2009>

**Article 1 (Enforcement Date)**

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

**Articles 2 through 9 Omitted.**

ADDENDUM <Act No. 10170, Mar. 22, 2010>

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

ADDENDA <Act No. 10678, May 19, 2011>

(1) (Enforcement Date) This Act shall enter into force three months after the date of its promulgation.

(2) (Applicability to Handling Period of Collective Dispute Settlement) The amended provisions of Article 68 (7) shall apply from the first collective dispute settlement requested and applied to the Settlement Commission after this Act enters into force.

ADDENDA <Act No. 14139, Mar. 29, 2016>

**Article 1 (Enforcement Date)**

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

**Article 2 (Applicability to Interruption of Prescription)**

The amended provisions of Article 68-3 shall begin to apply from the first application or request for dispute settlement or collective dispute settlement after this Act enters into force.

ADDENDA <Act No. 15015, Oct. 31, 2017>

**Article 1 (Enforcement Date)**

This Act shall enter into force six months after the date of its promulgation: Provided, That the amended provisions of Article 61 (1) shall enter into force on the date of its promulgation.

**Article 2 (Applicability to Extension of Dispute Settlement Period)**

The amended provisions of Articles 66 (2) and 68 (7) shall apply beginning with the first request or application for dispute settlement or collective dispute settlement after this Act enters into force.