

ACT ON THE CONSUMER PROTECTION IN ELECTRONIC COMMERCE

Act No. 6687, Mar. 30, 2002
Amended by Act No. 7315, Dec. 31, 2004
Act No. 7344, Jan. 27, 2005
Act No. 7487, Mar. 31, 2005
Act No. 8538, Jul. 19, 2007
Act No. 8635, Aug. 3, 2007
Act No. 10172, Mar. 22, 2010
Act No. 10303, May 17, 2010
Act No. 11326, Feb. 17, 2012
Act No. 11461, Jun. 1, 2012
Act No. 11841, May 28, 2013
Act No. 14142, Mar. 29, 2016
Act No. 15141, Nov. 28, 2017
Act No. 15698, Jun. 12, 2018

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to protect the rights and interests of consumers and enhance market confidence by prescribing matters relating to the fair trade of goods or services by means of electronic commerce transactions, mail orders, etc., thereby contributing to the sound development of the national economy.

Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows: *<Amended by Act No. 11461, Jun. 1, 2012>*

1. The term "electronic commerce transaction" means conducting commercial activities by means of an electronic transaction (referring to the electronic transaction as defined in subparagraph 5 of Article 2 of the Framework Act on Electronic Documents and Transactions; hereinafter the same shall apply);
2. The term "mail order" means selling goods or services (hereinafter referred to as "goods, etc.") by providing information on the sale of goods, etc. (including the right to use a specific facility or to be

provided with services; hereinafter the same shall apply) and receiving a consumer's order by means of mail, telecommunications or other methods prescribed by Ordinance of the Prime Minister; Provided, That sales by telemarketing as defined in subparagraph 3 of Article 2 of the Act on Door-to-Door Sales, Etc. shall be excluded from the scope of mail orders;

3. The term "mail order distributor" means a person who is engaged in mail order or a person who conducts the mail order business in accordance with a contract with the former;

4. The term "mail order brokerage" means the act of intermediating a mail order between both parties to a transaction by allowing the use of a cybermall (referring to a virtual shopping mall established to transact goods, etc. using computers, etc. and information communications facilities; hereinafter the same shall apply), or by other methods prescribed by Ordinance of the Prime Minister;

5. The term "consumer" means any of the following persons:

(a) A person who consumes (including using; hereinafter the same shall apply) goods, etc. supplied by business operators for daily consumption;

(b) A person prescribed by Presidential Decree, who does not fall under the category in item (a) but conducts transactions virtually under the same terms and with the same status as the one provided for in item (a);

6. The term "business operator" means a person who manufactures (including processing or packaging; hereinafter the same shall apply), imports, or sells goods or provides services.

Article 3 (Exclusion of Application)

(1) The provisions of this Act shall not apply to any transaction in which a business operator (excluding a multi-level marketer as defined in subparagraph 6 of Article 2 of the Act on Door-to-Door Sales, Etc.; hereafter the same shall apply in this paragraph) makes a purchase for the purpose of commercial activity; Provided, That this shall not apply where such business operator conducts a transaction under the same terms and with the same status as other consumers.

(2) The provisions relating to the duty to deliver documents (including electronic documents; hereinafter the same shall apply) on the contents of the contract pursuant to Article 13 (2) shall not apply to the following transactions: Provided, That in the case falling under subparagraph 1, the contents or the delivery methods of the documents on the contents of the contract may be determined differently, as prescribed by Ordinance of the Prime Minister:

1. Transactions that consumers conduct at any time in accordance with the already familiar terms and conditions, or standard transaction methods, which are prescribed by Ordinance of the Prime Minister;

2. Transactions in which the duty to tender contractual documents, etc. are otherwise provided for in other Acts.

(3) Articles 13 through 15 and 17 through 19 shall not apply to a mail order distributor providing mail order brokerage between persons other than mail order distributors.

(4) Articles 12 through 15, 17 through 20, and 20-2 shall not apply to the transactions of securities by investment traders and investment brokers under the Financial Investment Services and Capital Markets Act, transactions of financial instruments by financial companies, etc. prescribed by Presidential Decree, and transactions for the sale of daily necessities, food, beverage, etc. to the neighborhood.

Article 4 (Relationship with Other Acts)

Where this Act conflicts with other Acts regarding the consumer protection in the electronic commerce transactions or mail orders, the provisions of this Act shall prevail: Provided, That where the provisions of other Acts are more advantageous to consumers, such Acts shall apply.

CHAPTER II ELECTRONIC COMMERCE TRANSACTIONS AND MAIL ORDERS

Article 5 (Utilization of Electronic Documents)

(1) Notwithstanding Article 6 (2) 2 of the Framework Act on Electronic Documents and Transactions, where a business operator fails to send an electronic document (referring to the electronic message as defined in subparagraph 1 of Article 2 of the Framework Act on Electronic Documents and Transactions; hereinafter the same shall apply) to the address (referring to the data processing system as defined in subparagraph 2 of Article 2 of the Framework Act on Electronic Documents and Transactions) designated beforehand in the agreement to make a transaction by means of an electronic document, the business operator shall not claim any right arising out of such electronic document: Provided, That this shall not apply to the cases prescribed by Presidential Decree, such as where it is of great urgency, where the consumer has already expected that the transaction shall be made by an electronic document, or where the consumer has already printed out the electronic document. *<Amended by Act No. 11461, Jun. 1, 2012>*

(2) Where a business operator intends to use an electronic document with a digital signature (referring to the digital signature as defined in subparagraph 2 of Article 2 of the Digital Signature Act; hereinafter the same shall apply), he/she shall notify the consumer of the validity, receipt procedures and methods, etc. of the relevant electronic document, as prescribed by Presidential Decree.

(3) In using electronic documents, a business operator shall neither compel (including de facto compulsion of the use of any specific digital signature by means of special standards, etc.) the consumer to use a specific method of digital signature, nor unreasonably restrict the use of a certain method of digital signature of the consumer's choice.

(4) Where a business operator who conducts electronic commerce transactions makes it possible for a consumer to join a membership, to sign up for a contract, or to be provided with information related to the consumer, etc. through an electronic document, he/she shall also make it possible for a consumer to withdraw a membership, to cancel an order, to terminate, to revoke or change a contract, or to withdraw consent to the provision and use of information, etc. through an electronic document.

(5) If a business operator who conducts electronic commerce transactions is requested by a consumer to provide confirmation or verification concerning the transaction of goods, etc. through an electronic document, he/she shall comply with such request.

(6) Paragraphs (4) and (5) shall not apply where a business operator who conducts electronic commerce transactions notifies consumers beforehand of the difficulty of providing electronic documents for clear technical or security reasons.

(7) When a business operator who conducts electronic commerce transactions performs the obligations under paragraphs (4) and (5), business operators involved in the establishment and operation of the relevant cybermall shall cooperate by taking necessary measures for fulfilling such obligations.

Article 6 (Preservation, etc. of Transaction Records)

(1) A business operator shall preserve the records on transactions, such as marks, advertisements and contents of the contracts and execution thereof in connection with electronic commerce transactions and mail orders for a substantial period of time. In such cases, a convenient means of perusal and maintenance shall be provided to consumers.

(2) Notwithstanding the provisions of the Acts related to the protection of personal information prescribed by Presidential Decree, such as the Act on Promotion of Information and Communications Network Utilization and Information Protection, Etc., a business operator may preserve the transaction records and personal information (limited to the information to identify the subject of a transaction, such as name, address, and e-mail address) relating thereto that he/she is liable to preserve under paragraph (1), even if the consumer withdraws consent to the use of such personal information. *<Amended by Act No. 14142, Mar. 29, 2016>*

(3) Matters regarding the subject matter and scope of transaction records to be preserved, period of such preservation by a business operator, and methods of perusal and maintenance made available to consumers under paragraph (1) shall be prescribed by Presidential Decree.

Article 7 (Prevention of Input Errors, etc.)

A business operator shall prepare procedures necessary for the confirmation and correction of contents, before charging for the order or the subscription, in order to prevent any damage caused by misrepresentation of will due to consumers' input errors, etc. in the course of electronic commerce transactions.

Article 8 (Securing Confidence in Electronic Payment)

(1) Where a business operator uses an electronic means prescribed by Presidential Decree in the payment of the purchase price (hereinafter referred to as "electronic payment"), the persons related to electronic payment who are prescribed by Presidential Decree, such as the business operator, issuer of the means of electronic payment and provider of electronic payment services (hereinafter referred to as "electronic

payment business operator, etc.") shall take measures necessary for maintaining security of the relevant information.

(2) Where an electronic payment is made, the business operator, electronic payment business operator, etc. shall clearly notify the following to confirm whether the consumer's subscription is his/her true expression of intent and shall prepare procedures for the consumer to confirm the same, as prescribed by Presidential Decree:

1. Contents and types of goods, etc.;
2. Prices of goods, etc.;
3. Service period.

(3) Where an electronic payment is made, the business operator, electronic payment business operator, etc. shall notify the consumer of such fact by a method prescribed by Ordinance of the Prime Minister, such as transmission of an electronic document, and enable the consumer to access the data on the electronic payment at any time.

(4) Any person who issues the means of advance payment for the purchase or use of goods, etc. as one of the means of electronic payment in a cybermall shall indicate or announce matters regarding the confirmation of confidence in such means of payment, restrictions on the use, or other precautions, as prescribed by Ordinance of the Prime Minister.

(5) Where a dispute arises between a business operator and a consumer over electronic payment, the electronic payment business operator, etc. shall cooperate in the resolution of such dispute by allowing the perusal, etc. of the information regarding payment, as prescribed by Presidential Decree.

Article 9 (Cooperation of Delivery Business Operators, etc.)

(1) A business operator who conducts delivery (including electronic transmission through an information communications network (hereinafter referred to as "information communications network") pursuant to Article 2 (1) 1 of the Act on Promotion of Information and Communications Network Utilization and Information Protection, Etc.) of goods, etc., upon an electronic commerce transaction or a mail order, shall cooperate in the resolution of dispute, as prescribed by Presidential Decree, if such dispute arises out of an accident or obstruction, etc., of delivery.

(2) Where a person who provides hosting services (referring to the services for the establishment of cybermalls, management of servers, etc., for business operators to conduct electronic commerce transactions; hereafter the same shall apply in this Article) concludes a service contract with a business operator, he/she shall take measures necessary for verifying personal identity of the business operator.

(3) Where any dispute arises between a business operator and a consumer, a person who provides hosting services shall cooperate in the resolution of such disputes by providing data prescribed by Presidential Decree, such as personal identification information of the business operator, upon request of any of the following: *<Amended by Act No. 14142, Mar. 29, 2016>*

1. The consumer who is a party to the dispute (limited to where a consumer institutes a lawsuit);
2. The Fair Trade Commission;
3. The Special Metropolitan City Mayor, Metropolitan City Mayors, the Metropolitan Autonomous City Mayor, Do Governors or the Special Self-Governing Province Governor (hereinafter referred to as "Mayor/Do Governor") or the head of a Si/Gun/Gu (referring to the head of an autonomous Gu; hereinafter the same shall apply);
4. An investigation agency;
5. Other entities prescribed by Presidential Decree as necessary for the resolution of disputes.

Article 9-2 (Responsibilities of Providers of Electronic Message Board Services)

(1) Where any mail order or mail order brokerage is conducted by using the relevant message board, a provider of information and communications services defined in Article 2 (1) 3 of the Act on Promotion of Information and Communications Network Utilization and Information Protection, Etc., who operates a message board defined in subparagraph 9 of the same paragraph (hereinafter referred to as "provider of electronic message board services") shall perform the following matters to prevent consumer damage from occurring:

1. He/she shall guide and recommend a person who conducts mail order or mail order brokerage as a business by using the message board (hereinafter referred to as "mail order distributor, etc., using message board") to comply with his/her obligations prescribed in this Act;
2. Where any dispute arises between a mail order distributor using message board and a consumer in connection with this Act, he/she shall prepare a system to file a request for relief of the consumer by proxy with the mediation organization dedicated to resolution of disputes over the consumer damage referred to in Article 33 at the request of the consumer, and operate it as prescribed by Presidential Decree;
3. Other matters prescribed by Presidential Decree as necessary to prevent consumer damage.

(2) A provider of electronic message board services shall take measures for verifying the personal identification information of a mail order distributor, etc., using message board, which are referred to in Article 13 (1) 1 and 2.

(3) Where any dispute arises between a mail order distributor, etc., using message board and a consumer, the provider of electronic message board services shall cooperate in the resolution of such dispute by providing the personal identification information of the mail order distributor, etc., using message board obtained by taking measures for verifying the personal identification pursuant to paragraph (2), upon request of any of the following persons:

1. A mediation organization dedicated to resolution of disputes over consumer damage referred to in Article 33;
2. The Fair Trade Commission;

3. A Mayor/Do Governor or the head of a Si/Gun/Gu.

Article 10 (Operation of Cybermalls)

(1) The operator of a cybermall conducting electronic commerce transactions shall indicate the following, as prescribed by Ordinance of the Prime Minister, so that consumers may easily identify the business operator, etc.:

1. Trade name and name of the representative;
2. Address of the business place (including the address where consumer's complaint can be resolved);
3. Telephone number and e-mail address;
4. Business registration number;
5. Contractual terms and conditions of the cybermall;
6. Other matters prescribed by Presidential Decree as necessary for consumer protection.

(2) In the event of a violation in a cybermall, its operator provided for in paragraph (1) shall cooperate in any measures deemed necessary for correction.

Article 11 (Utilization, etc. of Information on Consumers)

(1) When collecting or utilizing information on consumers (including provision of such information to a third party; hereinafter the same shall apply) for an electronic commerce transaction or mail order, he/she shall do so fairly pursuant to the relevant provisions, such as the Act on Promotion of Information and Communications Network Utilization and Information Protection, Etc.

(2) Where a customer suffers or is likely to suffer damage to his/her property as a result of the illegal use of his/her information in the transaction of goods, etc., the business operator shall take necessary measures prescribed by Presidential Decree, such as verification of identity or recovery from damage.

Article 12 (Reporting, etc., by Mail Order Distributors)

(1) A mail order distributor shall file a report on the following to the Fair Trade Commission, the Metropolitan Autonomous City Mayor, the Special Self-Governing Province Governor, or the head of a Si/Gun/Gu, as prescribed by Presidential Decree: Provided, That this shall not apply where the frequency, scale, etc. of mail order transactions fall short of the criteria publicly notified by the Fair Trade Commission: *<Amended by Act No. 14142, Mar. 29, 2016>*

1. Trade name (including the name and resident registration number of the representative in the case of a corporation), address, and telephone number;
2. E-mail address, Internet domain name, and location of host server computers;
3. Other matters prescribed by Presidential Decree as necessary for verifying the identity of the business operator.

(2) Where a mail order distributor intends to make changes to the matters reported pursuant to paragraph (1), he/she shall report thereon, as prescribed by Presidential Decree.

(3) Where a mail order distributor who has filed a report pursuant to paragraph (1) intends to temporarily or permanently close, or resume his/her business, he/she shall report thereon, as prescribed by Presidential Decree.

(4) The Fair Trade Commission may disclose the information on the mail order distributor who has filed a report pursuant to paragraph (1), as prescribed by Presidential Decree.

Article 13 (Provision of Information on Identity and Transaction Terms)

(1) In placing indications or advertisements to take orders for a transaction of goods, etc., a mail order distributor shall include therein each of the following: *<Amended by Act No. 14142, Mar. 29, 2016>*

1. Trade name and name of the representative;
2. Address, telephone number, and e-mail address;
3. Matters by which the report filed with the Fair Trade Commission, a Metropolitan Autonomous City Mayor, the Special Self-Governing Province Governor, or the head of a Si/Gun/Gu under Article 12 can be verified, such as its number and the name of the agency which has accepted such report.

(2) A mail order distributor shall indicate, advertise, or notify the following in an appropriate manner so that consumers can clearly understand the terms of a transaction of goods, etc., before concluding a contract and sign a deal without any error or discrepancy, and upon conclusion of a contract, a mail order distributor shall provide documents relating thereto, which include the following, to the other party of the contract before supplying the goods, etc.: Provided, That where any ground prescribed by Presidential Decree exists, the documents may be issued to a person who has received the goods, etc., on behalf of the other party to the contract as long as it does not infringe upon the rights of the latter:

1. Trade names of the supplier and seller of the goods, and names, addresses, telephone numbers, etc., of representatives thereof;
2. Names, types and contents of the goods, etc.;
- 2-2. Information on the goods, etc. In such cases, the description marked on the product may substitute a written description of the contents of the contract;
3. Price (where the price has not been decided, the detailed method of decision) of the goods, etc., payment method and time;
4. Method and date to supply goods, etc.;
5. Matters regarding the deadline, method of exercise, and effect of cancellation of an order or termination of a contract (hereinafter referred to as "cancellation, etc., of an order") (including forms necessary to exercise the right to cancel an order, etc.);
6. Requirements and procedures for exchange, return and guarantee of the goods, etc., refund, and the payment of compensation for delayed refund;
7. Technical matters necessary for the electrical transmission, installation, etc., of the goods, etc., which can be supplied by means of an electronic medium;

8. Matters concerning compensation for damage, settlement of complaints against the goods, etc., and resolution of disputes between consumers and business operators;
 9. Terms and conditions of the transaction (including the ways to verify the details thereof);
 10. The fact that the consumer may choose to deposit funds for paying for the goods, etc., with a third party prescribed by Presidential Decree until he/she is supplied with the goods, etc. (hereinafter referred to as "escrow system") or to require the mail order distributor to conclude a contract, etc., of consumer damage compensation insurance under Article 24 (1) for the purpose of ensuring a safe purchase (limited only to prepaid mail orders under Article 15 (1) and excluding transactions falling under any subparagraph of Article 24 (3));
 11. Other terms of transaction that may affect consumers' decision on the purchase or matters prescribed by Presidential Decree as necessary for damage relief for consumers.
- (3) When concluding a contract on the transaction of goods, etc., with a minor, a mail order distributor shall inform the minor of the fact that if his/her legal guardian does not agree to the contract, the minor or the legal guardian can cancel the contract.
- (4) The Fair Trade Commission may determine and publicly notify the matters concerning the trade name, etc., of mail order distributors under paragraphs (1) and (2), and contents and methods of indication, advertisement and announcement of the information on goods, etc., and transaction terms and conditions. In such cases, the contents and methods of indication, advertisement and announcement may be determined differently in consideration of the transaction methods or the characteristics of the goods, etc.
- (5) A mail order distributor shall faithfully perform the transaction terms indicated, advertised, or announced to consumers pursuant to paragraph (2).

Article 14 (Confirmation, etc. of Orders)

- (1) In response to an order from a consumer for the transaction of goods, etc., a mail order distributor shall promptly confirm the customer's expression of intent to order and provide information on the availability of sale.
- (2) A mail order distributor shall have the adequate procedures that enable consumers to confirm the contents of the order, correct or cancel it before concluding a contract.

Article 15 (Supply, etc. of Goods, etc.)

- (1) A mail order distributor shall take measures necessary for the supply of goods, etc. within seven days from the date the consumer places an order, and in the case of a mail order for which the consumer pays all or part of the price of such goods, etc. before receiving them (hereinafter referred to as "prepaid mail order"), he/she shall take measures necessary for the supply of the goods, etc. within three business days from the date the consumer pays all or part of the price: Provided, That this shall not apply where a separate agreement is made between the two parties regarding when to supply.

(2) Where the supply of ordered goods, etc. is not available, a mail order distributor shall inform the consumer of the reason without delay, and in the case of a prepaid mail order, the distributor shall make a refund or take measures necessary for refund within three business days from the date the consumer pays all or part of the price.

(3) A mail order distributor shall take adequate measures so that consumers can confirm the procedures for and progress of the supply of goods, etc.. In such cases, the Fair Trade Commission may determine and publicly notify matters necessary for such measures.

(4) Article 18 (1) through (5) shall apply mutatis mutandis to refund or necessary measures for refund in connection with prepaid mail orders under paragraph (2).

Article 16 Deleted. <by Act No. 7487, Mar. 31, 2005>

Article 17 (Cancellation, etc., of Orders)

(1) A consumer who has concluded a contract with a mail order distributor on the purchase of goods, etc., may cancel the contract, etc., within the period provided for in the following subparagraphs (referring to the period agreed by the parties to a transaction, if it exceeds the period prescribed in any of the following subparagraphs): <Amended by Act No. 14142, Mar. 29, 2016>

1. Seven days from the date of receiving a document on the contents of the contract provided for in Article 13 (2): Provided, That where the supply of the goods, etc., has been performed after the delivery of a document, seven days from the date the goods, etc., have been supplied, or the supply of the goods, etc., has begun;

2. Seven days from the date he/she knew or could have known the address, where a document on the contents of a contract provided for in Article 13 (2) has not arrived, a document without the address, etc., of the mail order distributor has arrived, or the cancellation, etc., of an order cannot be made within the period set forth in subparagraph 1 due to the change of the mail order distributor's address, etc.;

3. Seven days from the date the interference is ended, where any interference, etc., with cancellation, etc., of orders under Article 21 (1) 1 or 2 has existed.

(2) In any of the following cases, no consumer shall cancel an order, etc., under paragraph (1) against the will of a mail order distributor: Provided, That where the mail order distributor fails to take the measures under paragraph (6), the consumer may cancel the order, etc., even in cases falling under subparagraphs 2 through 5: <Amended by Act No. 14142, Mar. 29, 2016>

1. Where the goods, etc., have been destroyed or damaged due to a cause attributable to the consumer: Provided, That this shall not apply where the package, etc., has been damaged to check the contents of the goods, etc.;

2. Where the value of the goods, etc., has substantially decreased due to consumer's use or partial consumption;

3. Where the value of the goods, etc., has substantially decreased due to the elapse of time, making resale difficult or impossible;
 4. Where the package of copiable goods, etc., has been destroyed;
 5. Where the provision of any services or digital content defined in subparagraph 5 of Article 2 of the Framework Act on the Promotion of Cultural Industries has commenced: Provided, That this shall not apply to the portion for which the provision of such services or digital content has not commenced in cases of a contract comprising divisible services or divisible digital content;
 6. Other cases prescribed by Presidential Decree for safe transactions.
- (3) Notwithstanding paragraphs (1) and (2), where the contents of the goods, etc., are different from what was indicated or advertised, or have been performed differently from the terms of the contract, the consumer may cancel the order, etc., within three months from the date of receiving the goods, or within 30 days from the date he/she knew or could have known such fact.
- (4) Where the cancellation, etc., of an order pursuant to paragraph (1) or (3) is made in writing, it shall enter into force on the date of sending the document to that effect.
- (5) In applying paragraphs (1) through (3), if a dispute arises as to whether the consumer is responsible for the damage to the goods, etc., whether and when the contract on the purchase of the goods, etc., was signed, and whether and when the goods, etc., were supplied, the mail order distributor shall prove it.
- (6) In cases of the goods, etc., for which an order cannot be cancelled under paragraph (2) 2 through 5, a mail order distributor shall take the necessary measures not to encumber the exercise of rights to cancel, etc., the order, such as clearly indicating the fact on the package of the goods, etc., or in a place where the consumer can easily recognize, or providing free samples: Provided, That where an order, etc., for digital contents among services or digital content referred to in paragraph (2) 5 cannot be cancelled by a consumer, the mail order distributor shall, in addition to indicating the fact that it is impossible to cancel an order, etc., take measures not to encumber the exercise of rights to cancel, etc., the order, such as by providing free samples, as prescribed by Presidential Decree. <Amended by Act No. 14142, Mar. 29, 2016>

Article 18 (Effect of Cancellation, etc., of Orders)

- (1) Where a consumer has cancelled, etc., an order pursuant to Article 17 (1) or (3), he/she shall return the goods, etc., already delivered: Provided, that this shall not apply where goods, etc., already supplied are services or digital content. <Amended by Act No. 14142, Mar. 29, 2016>
- (2) A mail order distributor (including a person who has received payment for the goods, etc., or a person who has concluded a contract on a mail order with a consumer; hereafter in paragraphs (2) through (10), the same shall apply) shall make a refund of the price of goods, etc., received, within three business days from any of the following dates. In such cases, if the mail order distributor delays the refund to the consumer, he/she shall pay a penalty interest for delay calculated by multiplying the interest rate prescribed by Presidential Decree within 40 percentage per annum (hereinafter referred to as "delay compensation"), taking into consideration an overdue interest rate applied by banks under the Banking Act

and economic situation: <Amended by Act No. 14142, Mar. 29, 2016>

1. Where a mail order distributor has supplied goods, the date the goods are returned pursuant to the main sentence of paragraph (1);
 2. Where a mail order distributor has supplied any services or digital content, the date the order is cancelled, etc., pursuant to Article 17 (1) or (3);
 3. Where a mail order distributor has not supplied goods, etc., the date the order is cancelled, etc., pursuant to 17 (1) or (3).
- (3) In making a refund pursuant to paragraphs (1) and (2), where a consumer has paid the price of the goods, etc., by credit card as defined in subparagraph 3 of Article 2 of the Specialized Credit Finance Business Act, or other means of settlement prescribed by Presidential Decree, a mail order distributor shall promptly request a business operator who has supplied the relevant means of settlement (hereinafter referred to as "settlement business operator") to stop or cancel the request for payment: Provided, That if the mail order distributor has already received payment from the settlement business operator, he/she shall promptly make a refund to such settlement business operator, and notify the consumer of this fact.
- (4) A settlement business operator who has received a refund pursuant to the proviso to paragraph (3) shall promptly make a refund to the consumer in question or take measures necessary for refund.
- (5) A mail order distributor, who falls under the proviso to paragraph (3) and had a consumer make a payment due to a delayed refund, shall pay the consumer a delay compensation for the corresponding period.
- (6) Notwithstanding the proviso to paragraph (3), where a mail order distributor fails to make a refund to a settlement business operator without any justifiable ground, a consumer may request the settlement business operator to offset the amount to be refunded against other debt he/she owes to the relevant mail order distributor. In such cases, the settlement business operator may offset by other debt that the consumer owes to the relevant mail order distributor, as prescribed by Presidential Decree.
- (7) Where a settlement business operator delays offset referred to in paragraph (6) without any justifiable ground, the consumer may refuse to settle the payment to the settlement business operator. In such cases, neither mail order distributor nor the settlement business operator shall give any disadvantages to the consumer, such as treating the consumer as a person who has defaulted on making payment within the prescribed period, on the grounds of such refusal.
- (8) In cases falling under paragraph (1) where goods, etc., have already been partially used or consumed, a mail order distributor may request a consumer to pay the amount equivalent to the profit the consumer gained from such partial use or consumption or to the expenses incurred in the supply of the goods, etc., within the amount prescribed by Presidential Decree.
- (9) In cases of cancellation, etc., of an order under Article 17 (1), a customer shall bear the expenses for returning the goods, etc., supplied and a mail order distributor shall not request the consumer to pay either the penalty for the breach of contract, or compensation for damage.

(10) In cases of cancellation, etc., of an order under Article 17 (3), a mail order distributor shall bear the expenses for returning the goods, etc.

(11) Where a mail order distributor, a person who has received payment, or a person who has concluded a contract on a mail order with a consumer is not the same person, each one shall be jointly and severally liable for the performance of obligations relating to the refund of payment pursuant to paragraphs (1) through (7) upon the cancellation, etc., of an order pursuant to Article 17 (1) and (3).

Article 19 (Restriction, etc. on Amount of Compensation for Damage)

(1) Where a contract on the sale of goods, etc. is terminated due to a cause attributable to the consumer, the compensation for damage the mail order distributor may claim against the consumer shall not exceed the amount computed by adding the delay compensation for nonpayment to the amount specified in the following:

1. Where the supplied goods, etc. are returned: The amount whichever is larger between the following items:

(a) The usual rental fee for the returned goods, etc. or the amount equivalent to usual benefits from the use thereof;

(b) The amount computed by subtracting the price of the returned goods, etc. at the time of such return from the selling price of the goods, etc.;

2. Where the supplied goods, etc. are not returned: The amount equivalent to the selling price of the goods, etc.

(2) In order to ensure an amicable resolution of disputes between mail order distributors and consumers regarding compensation for damage, the Fair Trade Commission may, if necessary, determine and publicly notify the standards for calculating the compensation for damage pursuant to paragraph (1).

Article 20 (Obligations and Liabilities of Mail Order Brokers)

(1) A person who conducts the brokerage of mail orders (hereinafter referred to as "mail order broker") shall notify beforehand that he/she is not a party to the mail order, in a manner prescribed by Ordinance of the Prime Minister, so that consumers can easily recognize such fact. <Amended by Act No. 14142, Mar. 29, 2016>

(2) If a person who has requested mail order brokerage (hereinafter referred to as "requester of mail order brokerage") is a business operator, a person who conducts the brokerage of mail orders as a business (hereinafter referred to as "mail order brokerage business operator") who is a mail order distributor shall confirm the name (where the business operator is a corporation, its name and the name of its representative), address, telephone number and other matters prescribed by Presidential Decree, and provide them to consumers before the conclusion of an order, and if a requester of mail order brokerage is not a business operator, a mail order broker who is a mail order distributor shall confirm the name, telephone number and other matters prescribed by Presidential Decree and provide both parties to the

transaction with the method to access the information on the other party. <Amended by Act No. 14142, Mar. 29, 2016>

(3) In order to resolve complaints or disputes arising from the use of cybermalls, etc., a mail order broker shall find out the cause thereof, assess damage and take other necessary measures without delay. Detailed measures to be taken in such cases shall be prescribed by Presidential Decree.

Article 20-2 (Liability of Mail Order Brokers and Requesters of Mail Order Brokerage)

(1) Where a mail order broker fails to make a notification under Article 20 (1), he/she shall have a joint liability with the requester of mail order brokerage in paying compensation for the damage caused intentionally or negligently by the latter to the consumer's property.

(2) A mail order broker shall be jointly liable with the requester of mail order brokerage for the damage caused to the consumer's property by failing to provide information or a method to access information under Article 20 (2), or by providing false information: Provided, That this shall not apply where he/she has paid due attention to prevent any damage to the consumers.

(3) Notwithstanding a notification made under Article 20 (1), no mail order broker who is a mail order distributor shall be exempt from the responsibilities of a mail order distributor provided for in Articles 12 through 15, 17 and 18: Provided, That in conducting mail order brokerage at the mail order distributor's request, the requester shall be responsible for the part which has been agreed on and notified to the consumer that the requester shall take the responsibility.

(4) No requester of mail order brokerage (limited to business operators) shall be exempt from liability for the damage caused intentionally or negligently by a mail order broker to the consumer's property on the ground that the act has been done by the latter: Provided, That this shall not apply where he/she has paid due attention to prevent any damage to the consumers.

Article 20-3 (Responsibilities of Mail Order Brokerage Business Operators who Perform Important Part of Mail Orders)

Where a mail order distributor fails to perform his/her duties pertaining to the following, a mail order brokerage business operator who performs the following affairs in processing transactions related to the mail order, shall perform the relevant duties on his/her behalf. In such cases, "business operator" in Articles 7 and 8, and "mail order distributor" in Articles 13 (2) 5 and 14 (1) shall be construed as "mail order brokerage business operator":

1. Where the mail order brokerage business operator receives an order:
 - (a) Provision of information referred to in Article 13 (2) 5;
 - (b) Confirmation of the order pursuant to Article 14 (1);
 - (c) Other matters prescribed by Presidential Decree, as necessary to prevent consumer damage;
2. Where the mail order brokerage business operator receives payment of the price of goods, etc.:

- (a) Prevention of input errors, etc., pursuant to Article 7;
- (b) Securement of confidence in electronic payment pursuant to Article 8;
- (c) Other matters prescribed by Presidential Decree, as necessary to prevent consumer damage.

Article 21 (Prohibitions)

(1) Neither a business operator engaged in electronic commerce transactions nor a mail order distributor shall do any of the following acts:

- 1. Luring customers, concluding a deal with consumers, or interfering with customers' cancellation, etc. of orders or termination of contracts by providing false or exaggerated information or by deceptive means;
 - 2. Changing or shutting down the address, telephone number, Internet domain name, etc. for the purpose of interfering with cancellation, etc. of orders;
 - 3. Inflicting damage on consumers by neglecting to address the shortage of human resources or facilities required to resolve disputes or complaints for a considerable time;;
 - 4. Unilaterally supplying the goods, etc. without the consumer's order and requesting the payment therefor, or requesting only the payment without supplying the goods, etc.;
 - 5. Forcing the consumer to sign up for goods or services by telephone, facsimile, computer communications, electronic mail, etc. even though the consumer made it clear that he/she had no intention to do so;
 - 6. Using the information on a consumer without obtaining his/her consent, or beyond the boundary of such consent: Provided, That this shall not apply to any of the following cases:
 - (a) Cases prescribed by Presidential Decree as inevitable for the execution of the contract with the consumer, such as delivery of the goods, etc.;
 - (b) Cases where such act is necessary for the payment for the goods, etc.;
 - (c) Cases prescribed by Presidential Decree as necessary to identify the consumer so as to prevent any illegal use of his/her name;
 - (d) Cases where there exist any inevitable grounds provided for in this Act or any other Acts exist;
 - 7. Making computer programs, etc. installed without the consumer's consent or without an easy, clear explanation and notification to the consumers as prescribed by Ordinance of the Prime Minister.
- (2) To prevent violations of this Act and damage to consumers, the Fair Trade Commission may determine and publicly notify the standards that the business operators engaged in electronic commerce transactions or mail order distributors are required to observe.

Article 22 (Handling of Cancellation, etc., of Orders during Temporary Closure, etc. of Business)

(1) A mail order distributor shall continue to handle cancellation, etc. of orders under Article 17 (1) and (3) and refund following such cancellation under Article 18 (1) through (5) even during temporary closure or suspension of business.

(2) Where a mail order distributor is deemed unable to practically continue business as he/she is declared bankrupt, etc. without reporting on closure of business, the Fair Trade Commission, the Metropolitan Autonomous City Mayor, the Special Self-Governing Province Governor, or the head of a Si/Gun/Gu who has accepted reports filed under Article 12 (1) may delete the reported matters ex officio. <Amended by Act No. 14142, Mar. 29, 2016>

CHAPTER III PROTECTION OF CONSUMERS' RIGHTS AND INTERESTS

Article 23 (Formulation, etc. of Consumer Protection Guidelines in Electronic Commerce Transactions, etc.)

(1) The Fair Trade Commission may listen to the opinions of the parties to transactions, agencies and organizations of the related fields, and formulate guidelines (hereinafter referred to as "consumer protection guidelines") to encourage business operators to make voluntary efforts to establish a sound order and ensure consumer protection in electronic commerce transactions or mail orders.

(2) Where the terms and conditions of a contract that the business operator employs are more disadvantageous to the consumers than those provided in consumer protection guidelines, the business operator shall indicate or notify the terms and conditions of the contract that are different from those in the consumer protection guidelines so that the consumers can easily recognize them.

Article 24 (Contracts, etc. of Consumer Damage Compensation Insurance)

(1) The Fair Trade Commission may encourage related business operators to conclude any of the following contracts (hereinafter referred to as "contract, etc. of consumer damage compensation insurance") for the purpose of consumer protection in an electronic commerce transaction or a mail order: Provided, That the issuer of the means of settlement referred to in Article 8 (4) shall conclude a contract, etc. of consumer damage compensation insurance:

1. An insurance contract under the Insurance Business Act;
 2. A contract of a debt guarantee signed with the institution under Article 38 of the Act on the Establishment, etc. of Financial Services Commission to secure payment of consumer damage compensation;
 3. A mutual aid contract with the mutual aid association established pursuant to paragraph (10).
- (2) Notwithstanding paragraph (1), where a consumer chooses to use the escrow system under Article 13 (2) 10 or requires the mail order distributor to conclude a contract, etc. of consumer damage compensation insurance with respect to a prepaid mail order, the mail order distributor shall allow the consumer to use such system or conclude the contract, etc.
- (3) Paragraph (2) shall not apply where a consumer conducts any of the following transactions:

1. Deleted; <by Act No. 118441 on Nov. 29, 2013>
 2. A transaction of paying for goods, etc. by credit card as defined in subparagraph 3 of Article 2 of the Specialized Credit Finance Business Act. In such cases, if a consumer fails to receive the goods, etc., the credit card company as defined in subparagraph 2-2 of Article 2 of the Specialized Credit Finance Business Act shall cooperate in cancelling the payment, etc. for the prevention and recovery of damage to the consumer;
 3. A transaction of buying goods, etc. which are sent through information and communications networks or the delivery of which is not confirmable by a third party referred to in Article 13 (2) 10;
 4. A transaction of buying goods, etc. supplied in installments for a certain period of time;
 5. Transactions determined and publicly notified by the Fair Trade Commission as those which do not require an escrow system or a contract, etc. of consumer damage compensation insurance or for whom such system or contract is not easily available because the safety of purchase is firmly secured by other Acts or there exist other causes similar to those in subparagraphs 1 through 4.
- (4) Matters necessary for the use of an escrow system or the conclusion of a contract, etc. of consumer damage compensation insurance under paragraph (2) shall be prescribed by Presidential Decree.
- (5) A contract, etc. of consumer damage compensation insurance shall provide a level of coverage adequate enough to pay compensation for damage to consumers caused by any violation of this Act, or to secure the confidence in the issuer of the settlement means under Article 8 (4). In such cases, the detailed standards thereof shall be prescribed by Presidential Decree.
- (6) A person who is liable to pay the consumer damage compensation pursuant to the contract, etc. of consumer damage compensation insurance shall make a payment without delay where a cause of payment arises, and in the event of a delayed payment, he/she shall pay the compensation for such delay.
- (7) A business operator who intends to conclude a contract, etc. of consumer damage compensation insurance shall not submit false data on sales amount, etc. to conclude a contract, etc. of consumer damage compensation insurance.
- (8) A business operator who has concluded a contract, etc. of consumer damage compensation insurance under paragraph (1) may use a mark indicating the fact, but the business operator who has not concluded such contract, etc. shall not use a mark, or make or use any similar mark.
- (9) Paragraph (8) shall apply mutatis mutandis to the use of the escrow system under paragraph (2).
- (10) Business operators conducting an electronic commerce transaction or mail order distributors may establish a mutual aid association to protect consumers pursuant to paragraph (1). In such cases, Article 38 of the Act on Door-to-Door Sales, Etc. shall apply mutatis mutandis to the establishment and operation of the mutual aid association under the condition that "business operators who have filed a report under Article 5 (1) or registered their business under Article 13 (1) or Article 29 (3)" in Article 38 (1) of the said Act shall be construed as "business operators who conduct an electronic commerce transaction or mail order distributors" and "Article 37 (1) 3" as "Article 24 (1) 3 of the Act on the Consumer Protection in the Electronic Commerce Transactions, Etc.", and "this Act" in Article 38 (9) and (10) of the Act on Door-to-

Door Sales, Etc. as "the Act on the Consumer Protection in the Electronic Commerce Transactions, Etc.," respectively.

Article 24-2 (Matters to be Observed, etc. When Sending Commercial Advertisements)

(1) When a business operator conducting an electronic commerce transaction or a mail order distributor solicits for the purchase of goods or being provided with services by means of telephone, facsimile, electronic mail, etc. (hereinafter referred to as "spam messages"), he/she shall comply with this Act and the provisions of related Acts, such as the Act on Promotion of Information and Communications Network Utilization and Information Protection, Etc.

(2) In order to take corrective measures against a business operator conducting electronic commerce transactions or a mail order distributor who has sent spam messages in violation of paragraph (1), the Fair Trade Commission may request the Korea Communications Commission or other related agencies to provide information on the identity of the violator. In such cases, the request for identification information shall be allowed only where it is difficult for the Fair Trade Commission to secure such identification information, and the Korea Communications Commission or other related agencies may provide such information to the Fair Trade Commission, notwithstanding Article 64-2 (1) of the Act on Promotion of Information and Communications Network Utilization and Information Protection, Etc.

Article 25 (Support for Consumer Organizations on Electronic Commerce Transactions, etc.)

The Fair Trade Commission may, within budgetary limits, assist the agencies or organizations engaged in the business to establish fair trade order and to protect consumers' rights and interests in electronic commerce transactions and mail orders.

CHAPTER IV INVESTIGATION AND SUPERVISION

Article 26 (Investigation, etc. of Violations)

(1) Where the Fair Trade Commission, a Mayor/Do Governor or the head of a Si/Gun/Gu acknowledges the fact that a violation of this Act exists, he/she/it may conduct necessary investigations ex officio.

(2) For a Mayor/Do Governor or the head of a Si/Gun/Gu to conduct an investigation pursuant to paragraph (1), the Mayor/Do Governor shall make a prior notification to the Fair Trade Commission, and the head of a Si/Gun/Gu to the Fair Trade Commission and to the relevant Mayor/Do Governor. Where the investigation, etc. is likely to overlap with other investigations, the Fair Trade Commission may request the Mayor/Do Governor or the head of a Si/Gun/Gu to stop it. In such cases, the Mayor/Do Governor or the head of the Si/Gun/Gu who has been requested to stop the inspection shall do so except on justifiable grounds.

(3) Where an investigation has been conducted pursuant to paragraph (1) or (2), the Fair Trade Commission, a Mayor/Do Governor or the head of a Si/Gun/Gu shall make a written notification to the

parties to the relevant case of the results (including the contents of the disposition, where a disposition such as a corrective order is to be issued based on the investigation results).

(4) Anyone who has acknowledged a violation of the provisions of this Act may report the fact to the Fair Trade Commission, a Mayor/Do Governor or the head of a Si/Gun/Gu.

(5) Where five years have elapsed since a violation of this Act, the Fair Trade Commission shall neither issue an order of corrective measures pursuant to Article 32, nor impose penalty surcharges, etc. pursuant to Article 34 for such violation: Provided, That this shall not apply in any of the following cases:
<Amended by Act No. 15698, Jun. 12, 2018>

1. Where the parties have accepted but failed to follow a recommendation or mediation proposal prepared by a mediation organization dedicated to resolution of disputes over consumer damage under Article 33 (1);

2. Where a new disposition is made based on the reasons for a court decision after a corrective measure or a disposition imposing penalty surcharges has been revoked according to the decision;

(6) To conduct an investigation under paragraph (1), the Fair Trade Commission may organize an investigation team jointly with the Korea Consumer Agency established under Article 33 of the Framework Act on Consumers. In such cases, the composition of an investigation team and specific methods or procedures for an investigation, and other necessary matters shall be prescribed by Presidential Decree.

(7) The Fair Trade Commission may pay allowances or travel expenses, within budgetary limits, to the executives and employees of the Korea Consumer Agency involved in an investigation conducted under paragraph (6).

Article 27 (Search, etc. of Public Information)

(1) If necessary for securing a fair trade order and preventing damage to the consumers in electronic commerce transactions or mail orders, the Fair Trade Commission may, through the use of electronic means, search and collect information made public via the information communications network by the business operators or organizations relating to consumer protection in electronic commerce transactions or mail orders.

(2) No business operators or related organizations shall refuse or interfere with the search and collection of information conducted by the Fair Trade Commission under paragraph (1) without any justifiable ground.

(3) If necessary for the efficient collection and use of information on damage to consumers, the Fair Trade Commission may request agencies or organizations engaged in consumer protection in electronic commerce transactions or mail orders to submit or share the relevant data, as prescribed by Presidential Decree.

(4) Agencies or organizations requested to submit or share data by the Fair Trade Commission pursuant to paragraph (3) shall not refuse such a request unless any justifiable ground exists.

Article 28 (Disclosure of Information on Violations, etc.)

In order to secure a fair trade order and prevent damage to consumers in electronic commerce transactions and mail orders, the Fair Trade Commission may, as prescribed by Presidential Decree, disclose business operators' violations of this Act and other relevant information necessary for the prevention of damage to consumers among the information searched and collected under Article 27 (1).

Article 29 (Fair Evaluation and Authentication)

(1) Regardless of title, any person engaged in evaluation and authentication of related business operators to ensure fairness and consumer protection in electronic commerce transactions and mail orders (hereinafter referred to as "evaluation and authentication business operator") shall, as prescribed by Presidential Decree, announce the required standards, methods, etc., and conduct evaluation and authentication in an impartial manner pursuant thereto.

(2) Evaluation and authentication standards and methods referred to in paragraph (1) shall be adequate enough to convey information on business operators' efforts to ensure fair transactions and consumer protection and the results thereof.

(3) The Fair Trade Commission may request an evaluation and authentication business operator to submit data on its operation status, etc.

Article 30 (Reporting and Supervision)

(1) Where a Mayor/Do Governor or the head of a Si/Gun/Gu recommends correction pursuant to Article 31, the Mayor/Do Governor shall report the results thereof to the Fair Trade Commission, and the head of a Si/Gun/Gu to the Fair Trade Commission and the relevant Mayor/Do Governor, as prescribed by Presidential Decree.

(2) Where deemed necessary for the effective enforcement of this Act, the Fair Trade Commission may request a Mayor/Do Governor or the head of a Si/Gun/Gu to conduct an investigation or a check-up, or to submit data or take other measures necessary for correction with respect to the matters under its jurisdiction. In such cases, the relevant Mayor/Do Governor or the head of the relevant Si/Gun/Gu shall comply with the request in the absence of any special circumstances.

CHAPTER V CORRECTIVE MEASURES AND IMPOSITION OF PENALTY SURCHARGES

Article 31 (Recommendation to Correct Violations)

(1) Where a business operator is in violation of this Act or fails to perform his/her duty under this Act, the Fair Trade Commission, a Mayor/Do Governor, or the head of a Si/Gun/Gu may, before issuing an order to take corrective measures under Article 32, recommend that the business operator stop such violation,

fulfill the duty prescribed in this Act, or comply with corrective measures required under Article 32. In such cases, he/she shall also be notified that accepting such recommendation shall be construed as receiving an order to take corrective measures under paragraph (3).

(2) A business operator in receipt of a recommendation for correction pursuant to paragraph (1) shall notify the administration agency which has issued such a recommendation of whether he/she accepts it or not within ten days from the receipt thereof.

(3) If a business operator in receipt of a recommendation for correction pursuant to paragraph (1) accepts such recommendation, it shall be deemed that the corrective measures under Article 32 have been ordered.

Article 32 (Corrective Measures, etc.)

(1) Where a business operator does any of the following acts or fails to perform a duty under this Act, the Fair Trade Commission may order him/her to take corrective measures: *<Amended by Act No. 14142, Mar. 29, 2016>*

1. Violation of Articles 5 (2) through (5), 6 (1), 7, 8, 9, 9-2, 10, 11, 12 (1) through (3), 13 (1) through (3) and (5), 14, 15, 18, 19 (1), 20, 20-2, 20-3, 22 (1), 23 (2), 24 (1), (2) and (5) through (9), 27 (2), 29 (1) and (2), and 32-2 (2);

2. Any prohibited act falling under any subparagraph of Article 21 (1).

(2) The corrective measures referred to in paragraph (1) mean any of the following:

1. Discontinuance of the relevant violation;

2. Performance of the duty stipulated in this Act;

3. Public announcement of the fact that corrective measures have been imposed;

4. Measures necessary for the prevention and relief of damage to consumers;

5. Other measures necessary for the correction of such violation.

(3) Matters necessary for the public announcement of the fact that corrective measures have been imposed under paragraph (2) 3 and detailed measures necessary for the prevention and relief of damage to consumers under paragraph (2) 4 shall be prescribed by Presidential Decree.

(4) In any of the following cases, the Fair Trade Commission may order to fully or partially suspend the business for a fixed period of up to one year, as prescribed by Presidential Decree: *<Amended by Act No. 14142, Mar. 29, 2016; Act No. 15698, Jun. 12, 2018>*

1. Where violations are repeated at equal or greater frequencies than those stipulated by Presidential Decree despite an order to take corrective measures under paragraph (1);

2. Where an order to take corrective measures is not complied with;

3. Where corrective measures alone are deemed difficult to prevent damage to consumers or impossible to compensate consumers for their damage.

Article 32-2 (Orders for Temporary Suspension)

(1) Where any electronic commerce transaction or mail order of a business operator who conducts electronic commerce transactions or a mail order distributor falls under all of the following conditions, the Fair Trade Commission may order the business operator who conducts electronic commerce transactions or mail order distributor to temporarily suspend all or some of his/her electronic commerce transactions or mail orders, as prescribed by Presidential Decree:

1. Where the electronic commerce transaction or mail order obviously falls under Article 21 (1) 1;
2. Where a consumer suffers or is likely to suffer damage to his/her property due to the electronic commerce transaction or mail order and urgent prevention of damage is deemed necessary because the damage beyond redemption is likely to spread among many consumers.

(2) Where necessary for the temporary suspension of all or some of electronic commerce transactions or mail orders under paragraph (1), the Fair Trade Commission may request a hosting service provider, mail order broker, provider of electronic message board services, etc., to take measures prescribed by Presidential Decree, such as the suspension of provision of the relevant services; and the business operator in receipt of such request shall comply therewith unless any extenuating circumstance exists.

(3) Where any business operator who conducts electronic commerce transactions or mail order distributor is deemed to fall under paragraph (1), a consumer organization registered under Article 29 of the Framework Act on Consumers or any other institution or organization prescribed by Presidential Decree may request the Fair Trade Commission in writing (including an electronic document) to issue an order for temporary suspension of all or some of the electronic commerce transactions or mail orders.

(4) A person dissatisfied with an order issued under paragraph (1) may raise an objection to the Fair Trade Commission within seven days from the date the order is received.

(5) When a person in receipt of an order issue under paragraph (1) raises an objection pursuant to paragraph (4), the Fair Trade Commission shall notify the Seoul High Court of such fact without delay; and the Seoul High Court, in receipt of the notification, shall proceed to the trial pursuant to the Non-Contentious Case Procedure Act.

(6) Article 15 of the Non-Contentious Case Procedure Act shall not apply to a trial held pursuant to paragraph (5).

Article 33 (Requests for Mediation of Consumer Damage Disputes)

(1) Where a request for relief for violation of this Act in an electronic commerce transaction or a mail order is filed by a consumer, the Fair Trade Commission, a Mayor/Do Governor, or the head of a Si/Gun/Gu may, before issuing a recommendation for correction pursuant to Article 31 or taking corrective measures pursuant to Article 32, request a mediation organization dedicated to resolution of disputes over consumer damage prescribed by Presidential Decree (“dispute mediation organization”), such as the agencies or organizations engaged in consumer protection in electronic commerce transactions or mail orders, to mediate the dispute in question.

(2) Where the parties concerned have accepted and fulfilled the recommendation or mediation proposal prepared by the dispute mediation organization, the Fair Trade Commission, a Mayor/Do Governor, or the head of a Si/Gun/Gu shall notify the parties that the corrective measures under Article 32 shall not be taken.

(3) Where the parties concerned have accepted and fulfilled the recommendation or mediation proposal by the dispute mediation organization pursuant to paragraph (1), the corrective measures under Article 32 shall not be taken, as prescribed by Presidential Decree.

(4) Where the Fair Trade Commission requests mediation of a dispute pursuant to paragraph (1), it may grant a subsidy for such mediation within budgetary limits.

(5) Where an agreement is reached during mediation, the dispute mediation organization shall report the result thereof, or where an agreement is not reached, it shall report the detailed process of such mediation, to the Fair Trade Commission, a Mayor/Do Governor, or the head of a Si/Gun/Gu without delay.

Article 34 (Penalty Surcharges)

(1) Where business suspension issued under Article 32 (4) is deemed likely to cause a serious inconvenience to consumers, etc., the Fair Trade Commission may, in lieu of the suspension of all or part of the business, impose upon the relevant business operator penalty surcharges, which do not exceed the sales revenue associated with the violation prescribed by Presidential Decree. In such cases, if the relevant sales are nonexistent or indeterminate, etc., penalty surcharges of up to 50 million won may be imposed.

(2) The Fair Trade Commission may establish and publicly notify the criteria for determining whether to impose penalty surcharges in lieu of the suspension of all or part of the business.

(3) In imposing penalty surcharges pursuant to paragraph (1), the Fair Trade Commission shall deliberate on the following:

1. Severity of the damage to consumers caused by such violation;
2. Degree of the business operators' effort to compensate for the damage to consumers;
3. Scale of profit from such violation;
4. Details, duration, frequency, etc. of the violation.

(4) Where a company which is the business operator who has violated this Act merges with another company, the Fair Trade Commission may impose penalty surcharges on, and collect them from, the company surviving the merger or resulting from the consolidation, deeming that such violation has been committed by such company.

(5) Articles 55-4 through 55-6 of the Monopoly Regulation and Fair Trade Act shall apply mutatis mutandis to the extension of payment deadline and installment payment of penalty surcharges, and disposition on collection, default and refund thereof under paragraph (1).

CHAPTER VI SUPPLEMENTARY PROVISIONS

Article 35 (Prohibition of Contracts Disadvantageous to Consumers)

A contract that violates Articles 17 through 19 and is disadvantageous to consumers shall become void.

Article 36 (Exclusive Jurisdiction)

A lawsuit filed in connection with a transaction with a mail order distributor shall exclusively be governed by the district court with jurisdiction over the consumer's address at the time of filing, but in the absence of an address, the district court with jurisdiction over the consumer's residence shall have the exclusive jurisdiction: Provided, That this shall not apply where the address or residence of the consumer is not evident at the time of filing.

Article 37 (Registration of Trade Association)

(1) A trade association, established for the sound development of electronic commerce transactions and mail orders, enhancement of consumer confidence, and promotion of mutual profits, may register at the Fair Trade Commission, as prescribed by Presidential Decree.

(2) The requirements, methods and procedures for registration under paragraph (1) and other matters shall be prescribed by Presidential Decree.

Article 38 (Delegation and Entrustment of Authority)

(1) The Fair Trade Commission may partially delegate its authority under this Act to the heads of the agencies affiliated therewith or a Mayor/Do Governor, or to the head of another administrative agency, as prescribed by Presidential Decree.

(2) A Mayor/Do Governor may partially delegate its authority under this Act to the head of a Si/Gun/Gu, as prescribed by Presidential Decree.

(3) If necessary for the effective enforcement of this Act, the Fair Trade Commission may partially entrust its administrative duties to a trade association registered pursuant to Article 37 (1).

(4) Where the Fair Trade Commission partially entrusts its administrative duties to a trade association pursuant to paragraph (3), it may fully or partially grant a subsidy to the trade association to cover the expenses incurred in performing such duties within budgetary limits.

(5) Those who are entrusted with the administrative duties under Article 26 (6) and paragraph (3) of this Article and who perform, or have performed, the relevant duties shall be deemed public officials when applying penal provisions prescribed in Articles 127 and 129 through 132 of the Criminal Act.

Article 39 (Application Mutatis Mutandis of the Monopoly Regulation and Fair Trade Act)

(1) Articles 42, 43, 43-2, 44, 45 and 52 of the Monopoly Regulation and Fair Trade Act shall apply mutatis mutandis to deliberation and decision by the Fair Trade Commission under this Act.

(2) Article 50 (1) through (4) of the Monopoly Regulation and Fair Trade Act shall apply mutatis mutandis to investigation, etc. of violations of this Act by the Fair Trade Commission, a Mayor/Do Governor, or the head of a Si/Gun/Gu.

(3) Articles 53, 53-2, 54, 55 and 55-2 of the Monopoly Regulation and Fair Trade Act shall apply mutatis mutandis to filing objections to the dispositions issued by the Fair Trade Commission pursuant to this Act, filing objections to the dispositions by the Mayor/Do Governor to whom part of the authority has been delegated pursuant to Article 38, suspension of execution of orders for corrective measures, and exclusive jurisdiction over filing of lawsuits or an objection to a judgment.

(4) Articles 55-4 through 55-8 of the Monopoly Regulation and Fair Trade Act shall apply mutatis mutandis to imposing and collecting penalty surcharges under this Act. <Newly Inserted by Act No. 15698, Jun. 12, 2018>

(5) Article 62 of the Monopoly Regulation and Fair Trade Act shall apply mutatis mutandis to the commissioners of the Fair Trade Commission or public officials who perform or have performed the duties prescribed in this Act. <Amended by Act No. 15698, Jun. 12, 2018>

CHAPTER VII PENALTY PROVISIONS

Article 40 (Penalty Provisions)

Any of the following persons shall be punished by imprisonment for not more than three years or by a fine not exceeding 100 million won: <Amended by Act No. 14142, Mar. 29, 2016>

1. A person who rejects, interferes with, or evades an investigation by such means as verbal abuse, assault, intentional blocking, or delaying of access to the scene, etc., when an investigation is conducted under Article 26 (1);
2. A person who fails to comply with an order to take corrective measures issued under Article 32 (1);
3. A person who continues his/her business in violation of an order for suspension of business issued under Article 32 (4).

Article 41 Deleted. <by Act No. 14142, Mar. 29, 2016>

Article 42 (Penalty Provisions)

Any of the following persons shall be punished by a fine of up to 30 million won:

1. A person who fails to file a report or files a false report, in violation of Article 12 (1);
2. A person who uses a mark indicating the coverage under a contract, etc. of consumer damage compensation insurance or the use of the escrow system, or makes or uses similar marks, in violation of Article 24 (8) and (9).

Article 43 (Penalty Provisions)

Any of the following persons shall be punished by a fine of up to ten million won:

1. A person who provides false identification information on a business operator prescribed in Article 13 (1);
2. A person who provides false information on the terms of a transaction prescribed in Article 13 (2).

Article 44 (Joint Penalty Provisions)

If a representative of a corporation or an agent, an employee, or a servant of a corporation or an individual commits a violation under Articles 40 through 43 in connection with the business of the corporation or the individual, in addition to the punishment of such violator, the corporation or individual shall be fined under each relevant Article: Provided, That this shall not apply where such corporation or individual has not been negligent in giving due attention and supervision concerning the relevant duties to prevent such violation.

Article 45 (Administrative Fines)

(1) A person who continues his/her business in violation of Article 32-2 (1) shall be punished by an administrative fine not exceeding 100 million won. <Newly Inserted by Act No. 14142, Mar. 29, 2016>

(2) A business operator or trade association shall be punished by an administrative fine of up to 30 million won for falling under either of subparagraph 1 or 2, and up to 50 million for falling under subparagraph 3; and the executive officers, employees or other interested parties of the business operator or trade association shall be subject to an administrative fine of up to five million for falling under either of subparagraph 1 or 2, and up to 10 million for falling under subparagraph 3: <Newly Inserted by Act No. 15698, Jun. 12, 2018>

1. A person who fails to appear without good cause in response to a summons under Article 50 (1) 1 of the Monopoly Regulation and Fair Trade Act applied mutatis mutandis under Article 39 (2);
2. A person who fails to make a report or to submit necessary documents or objects, or who makes a false report or submits false documents or objects under Article 50 (1) 3 or Article 50 (3) of the Monopoly Regulation and Fair Trade Act applied mutatis mutandis under Article 39 (2);
3. A person who refuses, obstructs or evades investigation under Article 50 (2) of the Monopoly Regulation and Fair Trade Act applied mutatis mutandis under Article 39 (2).

(3) Any of the following persons shall be punished by an administrative fine not exceeding 10 million won: <Amended by Act No. 14142, Mar. 29, 2016; Act No. 15698, Jun. 12, 2018>

1. A person who fails to perform the matters to prevent consumer damage from occurring, in violation of Article 9-2 (1);
2. A person who engages in any of the prohibited acts specified in Article 21 (1) 1 through 5;
3. An issuer of the means of payment stipulated in Article 8 (4) who fails to enter into a contract, etc. of consumer damage compensation insurance, in violation of Article 24 (1) with the exception of its

subparagraphs;

4. A prepaid mail order distributor under Article 15 (1) who violates Article 24 (2);

5. An issuer of the means of payment stipulated in Article 8 (4) who submits false documents to enter into a contract, etc. of consumer damage compensation insurance, in violation of Article 24 (7);

6. A prepaid mail order distributor under Article 15 (1) who submits false documents to enter into a contract, etc. of consumer damage compensation insurance, in violation of Article 24 (7);

7. A person who fails to comply with a request by the Fair Trade Commission, in violation of Article 32-2 (2);

8. through 10. Deleted. <by Act No. 15698, Jun. 12, 2018>

(4) Any of the following persons shall be punished by an administrative fine of up to five million won: <Amended by Act No. 14142, Mar. 29, 2016; Act No. 15698, Jun. 12, 2018>

1. A person who fails to preserve the transaction records, or fails to provide consumers with a means of accessing and preserving transaction records, in violation of Article 6;

2. A person who fails to indicate the identity information of the business operator prescribed in Article 10 (1) or 13 (1);

3. A person who fails to make a report under Article 12 (2) and (3);

4. A person who fails to indicate, advertise, or notify the stipulated matters or fails to deliver documents on the contents of the contract, in violation of Article 13 (2);

5. A person who fails to inform the other party to a transaction, who is a minor, of the fact that a contract on the transaction of goods, etc., can be cancelled, in violation of Article 13 (3);

6. A person who fails to provide information on the matters referred to in Article 13 (2) 5, in violation of subparagraph 1 (a) of Article 20-3.

(5) Any person who fails to comply with an order to maintain order in violation of Article 43-2 of the Monopoly Regulation and Fair Trade Act applied mutatis mutandis under Article 39 (1) shall be punished by an administrative fine of up to one million one. <Newly Inserted by Act No. 15698, Jun. 12, 2018>

(6) Administrative fines under paragraphs (1) through (4) shall be imposed and collected by the Fair Trade Commission, Mayors/Do Governors, or the head of a Si/Gun/Gu. <Amended by Act No. 14142, Mar. 29, 2016; Act No. 15698, Jun. 12, 2018>

(7) Administrative fines under paragraph (5) shall be imposed and collected by the Fair Trade Commission. <Newly Inserted by Act No. 15698, Jun. 12, 2018>

(8) The standards for imposing administrative fines under paragraphs (1) through (5) shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 15698, Jun. 12, 2018>

Article 46 (Special Cases concerning Application of Administrative Fines)

Where the provisions concerning administrative fines provided for in Article 45 apply, no administrative fine can be imposed for a violation act for which a penalty charge has been imposed pursuant to Article 34.

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force on July 1, 2002.

Article 2 (Transitional Measures concerning Report, etc. by Mail Order Distributors)

(1) Any person who reported the mail order business pursuant to Article 17 of the previous Act on Door-to-Door Sales, Etc. shall be deemed to have filed a report with a Mayor/Do Governor pursuant to Article 12: Provided, That he/she shall make necessary supplementation pursuant to Article 12 within two months from the enforcement of this Act.

(2) The mail order distributor, who has reported on the suspension, closedown, resumption of business, etc., at the time of the enforcement of this Act, pursuant to Article 24 of the previous Act on Door-to-Door Sales, Etc., shall be deemed to have filed a report pursuant to this Act, and in the event of such resumption, he/she shall make a report pursuant to the provisions of this Act.

Article 3 (Transitional Measures concerning Cancellation of Orders)

The cancellation of an order which has been placed pursuant to the provisions of the previous Act on Door-to-Door Sales, Etc. and effect thereof, etc. shall be subject to the previous provisions at the time of the enforcement of this Act.

Article 4 (Transitional Measures concerning Suspension of Business)

The disposition of business suspension issued for an act committed before the enforcement of this Act shall be subject to the provisions of the previous Act on Door-to-Door Sales, Etc.

Article 5 (Transitional Measures concerning Penal Provisions and Administrative Fines)

The application of penalty provisions and administrative fines for an act committed before the enforcement of this Act shall be subject to the provisions of the previous Act on Door-to-Door Sales, Etc.

Article 6 (Relations to Other Acts and Subordinate Statutes)

In a case where other Acts and subordinate statutes cite the previous Act on Door-to-Door Sales, Etc. or the provisions thereof at the time of the enforcement of this Act, it shall be deemed that this Act or the corresponding provisions of this Act, if any, are instead cited.

ADDENDA <Act No. 7315, Dec. 31, 2004>

Article 1 (Enforcement Date)

This Act shall enter into force on April 1, 2005. (Proviso Omitted.)

Articles 2 through 10 Omitted.

ADDENDA <Act No. 7344, Jan. 27, 2005>

Article 1 (Enforcement Date)

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

Article 2 Omitted.

ADDENDA <Act No. 7487, Mar. 31, 2005>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 13 (2) 10, 24 (2) through (4), and 24-2 (2) shall take effect one year after the date of its promulgation; and the amended provisions of Articles 13 (3), 17 (2) and (6), and 32 (1), three months after the date of its promulgation, respectively.

Article 2 (Applicability to Provision of Information on Identities of Mail Order Distributors and Terms of Transactions)

The amended provisions of Articles 13 (1) 3 and (2) and 32 (1) shall begin to apply to any indication or advertisement which is placed by a mail order distributor for the purpose of taking orders for goods, etc. or to the indication, advertisement, or notification of the matters regarding the terms of a transaction by a mail order distributor before a contract is concluded with consumers and the delivery of documents on such contract which clarifies transactional terms pursuant to Article 13 (2) on or after the enforcement date of this Act.

Article 3 (Applicability to Duty of Mail Order Distributors to Inform Minors)

The amended provisions of Articles 13 (3) and 32 (1) shall begin to apply to a contract on the transaction of goods, etc. which the mail order distributor intends to conclude with a minor on or after the enforcement date of this Act.

Article 4 (Applicability to Measures for Supply of Goods, etc. and Refund by Mail Order Distributors)

The amended provisions of Article 15 (1) and (2) shall begin to apply to any contract for transaction of goods, etc. partially or fully paid for by a consumer to the mail order distributor, before receiving them, on or after the enforcement date of this Act.

Article 5 (Applicability to Forwarding, etc. of Invoices by Mail Order Distributors)

The amended provisions of Article 16 shall begin to apply to any goods, etc. which are supplied by a mail order distributor in response to a consumer's order on or after the enforcement date of this Act.

Article 6 (Applicability to Cancellation, etc. of Orders Relating to Contracts between Consumers and Mail Order Distributors)

The amended provisions of Article 17 (2) and (6) shall begin to apply to the cancellation, etc. of a contract for purchase of goods, etc. which is concluded between a consumer and a mail order distributor on or after the enforcement date of this Act.

Article 7 (Applicability to Contracts, etc. of Consumer Damage Compensation Insurance Concluded by Business Operators Engaged in Electronic Commerce Transactions or Mail Orders)

The amended provisions of Article 24 (1) and (10) shall begin to apply to any contract, etc. of consumer damage compensation insurance which the Fair Trade Commission encourages a business operator engaged in electronic commerce transactions or mail orders to conclude or which is concluded by the issuer of a settlement means pursuant to Article 8 (4) on or after the enforcement date of this Act.

Article 8 (Applicability to Use of Escrow System by Consumers or Conclusion of Contracts, etc. of Consumer Damage Compensation Insurance by Mail Order Distributors in Prepaid Mail Orders)

The amended provisions of Article 24 (2) through (4) shall begin to apply to a contract on the transaction of goods, etc. for which a consumer chooses to use the escrow system or requests the mail order distributor to conclude a contract, etc. of consumer damage compensation insurance on or after the enforcement date of this Act.

Article 9 (Applicability to Use of Marks on Which Mail Order Distributors Indicate Adoption of Escrow System)

The amended provisions of Article 24 (9) shall begin to apply to the use of a mark on which a mail order distributor indicates the adoption of the escrow system on or after the enforcement date of this Act.

Article 10 (Applicability to Transmission of Spam Messages)

The amended provisions of Articles 24-2 (2) and 32 (1) shall begin to apply to spam messages sent by a mail order distributor to consumers on or after the enforcement date of this Act.

Article 11 (Applicability to Recommendation for Correction of Violations)

The amended provisions of Article 31 (1) shall begin to apply to the cases where a business operator commits a violation of the provisions of this Act or fails to fulfill his/her duty pursuant to the provisions of this Act on or after the enforcement date of this Act.

Article 12 (Applicability to Additional Payment for Refund of Penalty Surcharges)

The amended provisions of Article 34 (4) shall begin to apply to the penalty surcharges refunded on or after the enforcement date of this Act.

ADDENDUM <Act No. 8538, Jul. 19, 2007>

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

ADDENDA <Act No. 8635, Aug. 3, 2007>

Article 1 (Enforcement Date)

This Act shall enter into force one year and six months after the date of its promulgation. (Proviso Omitted.)

Articles 2 through 44 Omitted.

ADDENDUM <Act No. 10172, Mar. 22, 2010>

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

ADDENDA <Act No. 10303, May 17, 2010>

Article 1 (Enforcement Date)

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

Articles 2 through 10 Omitted.

ADDENDA <Act No. 11326, Feb. 17, 2012>

Article 1 (Enforcement Date)

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

Article 2 (Applicability to Joint Liability of Mail Order Distributors)

The amended provisions of Article 20-2 (1) and (2) shall begin to apply to the first mail order brokerage conducted after this Act enters into force.

Article 3 (Applicability to Legal Fiction as Public Officials)

The amended provisions of Article 38 (5) shall begin to apply to the first person who performs the entrusted administrative duties after this Act enters into force.

Article 4 (Transitional Measures concerning Small-Scale Mail Order Distributors' Obligation to Report)

A mail order distributor required to file a new report under the amended provisions of Article 12 (1) shall do so within one year from the date this Act enters into force.

ADDENDA <Act No. 11461, Jun. 1, 2012>

Article 1 (Enforcement Date)

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

Articles 2 through 10 Omitted.

ADDENDUM <Act No. 11841, May 28, 2013>

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

ADDENDA <Act No. 14142, Mar. 29, 2016>

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 9 (3), 12 (1), 13 (1) and 22 (2) shall enter into force on the date of its promulgation.

Article 2 (Transitional Measures concerning Resident Registration Numbers Preserved by Business Operators)

Each business operator who preserves resident registration numbers pursuant to the former Article 6 (2) as at the time this Act enters into force, shall destroy the resident registration numbers that he/she preserves within three months from the date this Act enters into force.

Article 3 (Transitional Measures concerning Penal Provisions)

Application of penal provisions against an act committed before this Act enters into force shall be governed by the previous provisions.

ADDENDUM <Act No. 15141, Nov. 28, 2017>

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

ADDENDA <Act No. 15698, Jun. 12, 2018>

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 34 (5) and Article 39 (4) and (5) shall enter into force on the date of its promulgation.

Article 2 (Applicability to Exceptions to Period for Disposition)

The amended provisions of subparagraph 2 of Article 26 (5) shall apply beginning with the first cancellation of a corrective measure or a disposition imposing administrative fines based on a court judgment after this Act enters into force.

Article 3 (Transitional Measures concerning Administrative Fines on Parties Who Fail to Appear in Response to Summons)

In applying administrative fines on parties who received summons before this Act enters into force, the previous provisions shall apply notwithstanding the amended provisions of Article 45 (2) 1.

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