ENVIRONMENT IMPROVEMENT EXPENSES
LIABILITY ACT

Act No. 4463, Dec. 31, 1991
Amended by Act No. 4714, Jan. 5, 1994
Act No. 5454, Dec. 13, 1997
Act No. 5681, Feb. 8, 1999
Act No. 6037, Dec. 31, 1999
Act No. 6406, Jan. 29, 2001
Act No. 8159, Feb. 4, 2002
Act No. 7236, Jan. 27, 2005
Act No. 7459, Mar. 31, 2005
Act No. 8215, Jan. 3, 2007
Act No. 8466, May 17, 2007

Article 1 (Purpose)

The purpose of this Act is to contribute to the formation of a comfortable environment which serves as the foundation of continuous development of the State, by driving forward comprehensively and systematically measures for improving the environment and by promoting environmental improvement through additional raising of reasonable investment resources.

Article 2 (Responsibility of State and Local Government)

(1) The State shall be responsible for establishing and implementing a comprehensive plan on environmental improvement so that all citizens can live in a comfortable environment, and shall make available the maximum financial and technical support for carrying out the plan.

(2) Local governments shall be responsible for establishing and implementing any environmental improvement measures of their respective local governments according to the comprehensive environmental improvement plan of the State, taking into consideration the regional peculiarities of areas under their jurisdiction.

Article 3 (Responsibility of Entrepreneur)

(1) Entrepreneurs shall make efforts to promote environmental improvement, such as establishing an organ to take on full responsibility for improving any environmental pollution caused by their business activities, such as manufacturing, processing, or marketing of products.

(2) The entrepreneurs shall minimize the environmental pollution caused by their business activities by respecting to the utmost the opinions on the improvement of environmental pollution, put forth by the person in charge of environmental pollution improvement affairs.

Article 4 (Responsibility of Citizens)

All citizens shall cooperate positively in the environmental improvement policies of the State and local governments, and shall make efforts to promote the improvement of the environment, such as using sparingly those materials and energy resources causing any environmental pollution, etc.

Articles 5 through 8 Deleted. <by Act No. 6037, Dec. 31, 1999>

Article 9 (Imposition and Collection of Environmental Improvement Charges)

(1) The Minister of Environment shall impose and collect environmental improvement charges (hereinafter referred to as the "improvement charges") from the owners or possessors
of buildings and other facilities (hereinafter referred to as the "facilities") which directly cause environmental pollution through the discharge of vast amounts of environmental pollutants in the course of circulation and consumption, and driving of motor vehicles. <Amended by Act No. 5454, Dec. 13, 1997>

(2) Those facilities and motor vehicles which are subject to the improvement charges as referred to in paragraph (1) shall be as follows: <Amended by Act No. 5861, Feb. 8, 1999>

1. Facilities larger than the scale as prescribed by Presidential Decree; Provided, That they shall not include facilities prescribed by Presidential Decree such as production facilities, storage facilities, and military establishments; and
2. Motor vehicles using light oil for fuel, as prescribed by Presidential Decree.

(3) Notwithstanding the provisions of paragraph (2), improvement charges on the following facilities or motor vehicles may be reduced or exempted pursuant to the provisions of Presidential Decree: <Newly Inserted by Act No. 5861, Feb. 8, 1999; Act No. 5668, May 17, 2007>

1. Facilities and motor vehicles owned by a foreign government or international organization (including motor vehicles owned by the mission of a foreign government or staff of an international organization); Provided, That the same may not apply where the related State imposes the same charges on facilities and motor vehicles owned by the Government of the Republic of Korea (including motor vehicles owned by the mission of the Government of the Republic of Korea);
2. Facilities for residence or other use as prescribed by Presidential Decree;
3. Part of facilities in partitioned ownership the total of individual floor areas of which is less than the scale prescribed by Presidential Decree on the basis of the area owned by each person;
4. Facilities which are subject to discharge dues under the Clean Air Conservation Act or the Water Quality and Ecosystem Conservation Act; and
5. Motor vehicles for display or with very little exhaust gas as prescribed by Presidential Decree.

(4) In cases where the Minister of Environment delegates to the Special Metropolitan City Mayor, Metropolitan City Mayor, or Do governor (hereinafter referred to as the "Mayor/Do governor") the authority to collect improvement charges in the area under his jurisdiction under Article 22, he may deliver a part of the collected amount as expenses for collection, as prescribed by Presidential Decree. <Amended by Act No. 5454, Dec. 13, 1997; Act No. 6087, Dec. 31, 1999>

(5) The area where improvement charges as referred to in paragraph (1) are imposed, the purpose of facilities on which the improvement charges are imposed, the method and procedure of imposition and collection, and other necessary matters shall be determined by Presidential Decree.

(6) The Minister of Environment may permit the installment payment of improvement charges as prescribed by Presidential Decree. <Newly Inserted by Act No. 5861, Feb. 8, 1999>

Article 10 (Criteria for Calculations of Improvement Charges)

(1) The improvement charges of facilities as prescribed in subparagraph 1 of Article 9 (2) shall be calculated in conformity with the following criteria taking into consideration the total quantity of air and water pollutants discharged and emitted from the facilities:

1. Where the air pollutants are emitted:
   Quantity of used fuel × amount of charges per unit × coefficient of fuel × regional coefficient; and
2. Where the water pollutants are discharged:
   Quantity of used water × amount of charges per unit × pollution inducing coefficient
   × regional coefficient.

(2) The improvement charges on motor vehicles as prescribed in Article 9 (2) 2 shall be calculated in conformity with the following criteria:
   Basic amount of charges per motor vehicle × pollution inducing coefficient × coefficient
   of motor vehicle age × regional coefficient.

(3) The amount of charges per unit, the basic amount of charges per motor vehicle, coefficient
   of fuel, pollution inducing coefficient, the regional coefficient and coefficient of motor vehicle
   age as referred to in paragraphs (1) and (2) shall be determined by Presidential Decree.

Article 11 (Use of Improvement Charges)
The improvement charges collected under Article 9 shall be used only for the following
purposes: <Amended by Act No. 6097, Dec. 31, 1986>
1. Support of expenses for air and water improvement projects carried out according to
   the mid-term comprehensive plan for environmental conservation as prescribed in Article
   14-2 of the Framework Act on Environmental Policy;
2. Financing of expenses for the air and water improvement projects carried out by
   entrepreneurs, and support for expenses of low pollution technology research; and
3. Natural environment preservation projects and other purposes prescribed by Presidential
   Decree.

Article 12 (Implementation of Environmental Pollution Prevention Projects)
If it is deemed difficult to maintain or attain the environmental standards due to the
aggravation of environmental pollution, or if it is required in particular for the preservation
of the environment, the State, local government or Environmental Management Corporation
established under the Environmental Management Corporation Act may implement
environmental pollution prevention projects. <Amended by Act No. 8215, Jan. 3, 2007>

Articles 13 through 18 Deleted. <by Act No. 8215, Jan. 3, 2007>

Article 19 (Payment of Improvement Charges)
The improvement charges shall be the revenue of the special accounts for environmental
improvement as prescribed by the Act on Special Accounts for Environment Improvement.
<Amended by Act No. 5861, Feb. 8, 1990; Act No. 8215, Jan. 3, 2007>
[This Article Wholly Amended by Act No. 4714, Jan. 5, 1994]

Article 20 (Compulsory Collection)
(1) If a person who is liable for payment of improvement charges fails to do so, the Minister of
   Environment shall urge it with a period for not less than ten days fixed. In this case,
   additional dues equivalent to 5% shall be imposed on the charges in arrears. <Amended
(2) If the person who has been urged under paragraph (1) fails to pay the charges within
   the fixed period, they may be collected according to the examples of the disposition of
   national or local taxes in arrears. <Amended by Act No. 5454, Dec. 13, 1987; Act No. 8215, Jan.
   3, 2007>
(3) Deleted. <by Act No. 8215, Jan. 3, 2007>

Article 21 Deleted. <by Act No. 8215, Jan. 3, 2007>

Article 22 (Delegation of Authority)
The authority of the Minister of Environment under this Act may be partially delegated
   to the Mayor/Do governor under the conditions as prescribed by Presidential Decree. <Amended
ADDENDA

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

Article 2 (Application Example to Imposition, etc. of Environmental Improvement Charges on Motor Vehicles)
Matters concerning imposition, etc. of the environmental improvement charges on motor vehicles using light oil for fuel as prescribed in Article 9 (2) 2 shall be applicable on the date as determined by Presidential Decree.

Article 3 (Transitional Measures concerning Environmental Pollution Prevention Projects)
Any environmental pollution prevention project which has been or is executed pursuant to the provisions of Article 49 (1) of the previous Environmental Preservation Act at the time this Act enters into force, shall be considered as an environmental pollution prevention project as prescribed by this Act.

Article 4 (Relation with Other Acts)
In case where the provisions of the previous Environmental Preservation Act are cited in other Acts and subordinate statutes at the time this Act enters into force, if the corresponding provisions are included in this Act, this Act or the corresponding provisions of this Act shall be considered to have been cited in lieu of such previous provisions.

ADDENDA <Act No. 4714, Jan. 5, 1994>

Article 1 (Enforcement Date)
This Act shall enter into force on January 1, 1995.

Articles 2 and 3 Omitted.

ADDENDUM <Act No. 5454, Dec. 13, 1997>

This Act shall enter into force on January 1, 1998. (Proviso Omitted.)

ADDENDA <Act No. 5861, Feb. 8, 1999>
(1) (Enforcement Date) This Act shall enter into force on the date of its promulgation.
(2) Omitted.

ADDENDA <Act No. 6007, Dec. 21, 2000>
(1) (Enforcement Date) This Act shall enter into force seven months after the date of its promulgation.
(2) and (3) Omitted.

ADDENDA <Act No. 6496, Jan. 29, 2001>

Article 1 (Enforcement Date)
This Act shall enter into force on July 1, 2001.

Articles 2 and 3 Omitted.

ADDENDA <Act No. 6666, Feb. 4, 2002>

Article 1 (Enforcement Date)
This Act shall enter into force on January 1, 2003.

Articles 2 through 12 Omitted.
ADDENDA <Act No. 7366, Jan. 27, 2002>

Article 1 (Enforcement Date)
This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)
Articles 2 through 8 Omitted.

ADDENDA <Act No. 7459, Mar. 31, 2005>

Article 1 (Enforcement Date)
This Act shall enter into force one year after the date of its promulgation.
Articles 2 through 6 Omitted.

ADDENDUM <Act No. 8215, Jan. 8, 2007>

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

ADDENDA <Act No. 8455, May 17, 2007>

Article 1 (Enforcement Date)
This Act shall enter into force six months after the date of its promulgation.
Articles 2 through 5 Omitted.