

Monopoly Regulation and Fair Trade Act



December 2, 2011

FAIR TRADE COMMISSION
REPUBLIC OF KOREA

(Only the Korean text is/are authentic)

Korea Fair Trade Commission

Monopoly Regulation and Fair Trade Act

*[Implemented on December 2, 2011]
[Act No. 11119, Partly amended on December 2, 2011]*

Chapter 1 General Provisions

Article 1 (Purpose)

The purpose of this Act is to stimulate the creative initiative of enterprisers, to protect consumers, and to strive for the balanced development of the national economy by promoting fair and free competition through the prevention of the abuse of market dominance and excessive concentration of economic power by enterprisers and through regulation of improper concerted practices and unfair trade practices.

Article 2 (Definitions)

For the purpose of this Act, the terms used herein shall have the following definitions: *<Amended on December 8, 1992, December 30, 1996, February 5, 1999, January 16, 2001, December 31, 2004, April 27, 2007, August 3, 2007>*

1. The term "enterpriser" refers to a person who operates a manufacturing, service, or any other business. Any officer, employee, agent, or any other person acting in the interest of the enterpriser shall be deemed to be an enterpriser with regard to the application of provisions pertaining to enterprisers organizations.

1-2. The term "holding company" refers to a company that makes its primary line of business the control of the business of any domestic company through the ownership of stocks (including equities; the same shall apply hereinafter) and whose total assets are above the amount set by the Presidential Decree. In this case, the standards for determining the primary line of business shall be prescribed by the Presidential Decree.

1-3. The term "subsidiary" refers to a domestic company whose business is controlled by the holding company under the criteria prescribed by the Presidential Decree.

1-4. The term "business related Sub-subsidiary" refers to a domestic company whose business is controlled by the subsidiary under the criteria prescribed by the Presidential Decree.

2. The term "business group" refers to a group of companies, whose businesses are substantially controlled by the same persons under the standards prescribed by the Presidential Decree, pursuant to the following distinctions:

A. When the "same person" is a company, the same person and the group of one or more companies the same person controls.

B. When the "same person" is not a company, the group of two or more companies the same person controls.

3. The term "affiliated company" refers to the case wherein two or more companies belong to the same Business Group; each company is an "affiliated company" of the others.

4. The term "enterprisers organization" refers to a juristic combination or federation organized by two or more enterprisers for the purpose of promoting their common interests regardless of the form of organization.

5. The term "officer" refers to a director, an a representative director, a managing partner with unlimited liability, an auditor, a person in the equivalent position, or a commercial employer such as a manager who is capable of carrying out general business for the main office or a branch office.

6. The term "resale price maintenance" refers to an act of trading goods or services wherein an enterpriser fixes a price in advance in order to force a counterpart enterpriser or another enterpriser involved in the subsequent phases of the transaction to buy from or provide to the enterpriser only at that price or executes transactions under any agreement or binding condition for such purpose.

7. The term "market-dominating enterpriser" refers to any enterpriser who, as a supplier or customer, individually or jointly with other enterprisers, enjoys Market Dominance and possibly determines, maintains, or changes the prices, quantity, or quality of commodities or services or other terms and conditions of business in a particular business area. Market share, the existence and height of barriers to entry, relative size of competitor businesses, and so forth shall be comprehensively considered in determining a market-dominating enterpriser.

8. The term "particular business area" refers to a field wherein any competitive relation exists by subject, stage, or geographical area of trade, or a field with a possibility of such competitive relations.

8-2. The term "practices substantially suppressing competition" refers to any practice that may lead to circumstances wherein reduced competition in a particular business area allows a certain enterpriser or group of enterprisers to affect, or threaten to affect the setting of price, quantity, quality, or other terms or conditions of trading as they intend to a certain extent.

9. The term "credit" refers to domestic financial institutions' activities to loan funds, and guarantee or underwrite company obligations.

10. The term "financial industry or insurance industry" refers to any of the financial and insurance businesses under the Korea Standard Industrial Classification as announced by the Commissioner of the Korea National Statistical Office pursuant to

the provision of Paragraph (1), Article 22 (Standard Classification) of the Statistical Act.

Article 2-2 (Application to Extra-Territorial Activities)

The Act shall apply even to activities carried out overseas when they are deemed to have influence on the domestic market. *[Newly established on December 31, 2004]*

Chapter 2 Prohibition on the Abuse of Market Dominance

Article 3 (Improvement, Etc., of Monopoly or Oligopoly in Market Structures)

① The Fair Trade Commission shall establish and implement action plans to promote competition in markets where monopolies or oligopolies have existed for an extended period of time in relation to the supply or demand markets of goods or services.

② If necessary to carry out policies formulated under Paragraph (1), the Fair Trade Commission may present its opinions to the chief officers of the appropriate administrative authorities in relation to the introduction of competition or other measures as necessary to improve the market structures.

③ The Fair Trade Commission shall conduct research on the market structures and announce the results to establish and promote the policies under in Paragraph (1).
<Newly established on February 5, 1999>

④ The Fair Trade Commission may request an enterpriser to submit the necessary data for the research and announcement related to the market structure pursuant to Paragraph (3). *<Newly established on February 5, 1999>*

⑤ The Fair Trade Commission may entrust the operations referred to in Paragraphs (3) or/and (4) to other agencies under the conditions prescribed by the Presidential Decree. *<Newly established on February 5, 1999>*

[Former Article 3 moved to Article 3-2 <December 30, 1996>]

Article 3-2 (Prohibition on the Abuse of Market Dominance)

① No market-dominating enterpriser shall commit any of the following acts (hereinafter referred to as “abusive acts”): *<Amended on February 5, 1999>*

1. Acts of unreasonably determining, maintaining, or changing the price of goods or services (hereinafter referred to as “price”)
2. Acts of unreasonably controlling the sale of goods or provision of services
3. Acts of unreasonably interfering with the business activities of other enterprisers
4. Acts of unreasonably impeding the participation of new competitors
5. Acts to unfairly exclude competing enterprisers or acts that may significantly harm the interest of consumers

② The categories or standards for abusive acts shall be specified by the Presidential Decree. *<Newly established on December 30, 1996, February 5, 1999>*
[Moved from Article 3 <December 30, 1996>]

Article 4 (Presumption of Market-Dominating enterpriser)

An enterpriser with any of the following market shares in a particular business area (excluding an enterpriser whose annual sales turnover or purchases in a particular business area amount to less than KRW 4 billion) shall be presumed to be a market-dominating enterpriser as referred to in Subparagraph (7), Article 2 (Definitions): *<Amended on August 3, 2007>*

1. The market share of one enterpriser is 50/100 or more.

2. The total market share of not less than three enterprisers is 75/100 or more, provided that those whose market share is less than 10/100 shall be excluded.

[Fully amended on February 5, 1999]

Article 5 (Remedial Measures)

In case of any act violating the provisions of Article 3-2 (Prohibition on the Abuse of Market Dominance), the Fair Trade Commission may order the market-dominating enterpriser involved to reduce prices, to discontinue the violation, to announce its receipt of a remedial order to the public, and to take other necessary remedial measures. *<Amended on December 30, 1996, December 31, 2004>*

Article 6 (Surcharge)

In case of abusive acts by a market-dominating enterpriser, the Fair Trade Commission may charge such enterpriser with surcharges equal to not more than 3 percent of the sales turnover (or the operating profits for an enterpriser that is designated by the Presidential Decree; the same shall apply hereinafter) specified by the Presidential Decree Cases under the Presidential Decree. In the cases under the Presidential Decree, such as if the sales turnover does not exist or difficult to estimate (hereinafter referred to as "if the sales turnover does not exist"), however, surcharges of not more than KRW 1 billion may be imposed.

[Fully amended on December 30, 1996]

Chapter 3 Restriction on the Combination of Enterprises and Suppression of Economic Power Concentration

Article 7 (Restriction on the Combination of Enterprises)

① No one shall practices substantially suppressing restrain competition in a particular business area directly or through a person deemed by the Presidential Decree to be in a special interest (hereinafter referred to as "person with special

interest”) by committing any of the acts described below (hereinafter referred to as “combination of enterprises”). However, this provision shall not apply to cases wherein an enterprise, whose total assets or sales revenue (referring to the amount including of the total assets value or sales volume of affiliated companies) is not subject to the Presidential Decree hereinafter is referred to as “large enterprise”), commits any of the acts described in Subparagraph (2). <Amended on December 30, 1996, February 5, 1999, August 3, 2007>

1. Acquisition or ownership of stocks of other companies
2. Practice of a company's officers or employees (referring to those other than the officers and who have continued to work in the company; the same shall apply hereinafter) serving on the boards of multiple corporations (referred to as "interlocking directorate" hereinafter)
3. Mergers with other companies
4. Acquisition through transfer, lease, or acceptance of the whole or a main part of the business operations of another company, or acquisition through the transfer of the whole or a main part of the fixed operational assets of another company (hereinafter referred to as “transfer of operations”)
5. Participation in the establishment of a new company. However, any of the following shall be excluded.
 - A. If persons other than those in a special relationship (excluding those specified by the Presidential Decree) did not participate in the establishment of the new company.
 - B. If persons participate in the establishment of a divestiture of a company as per Article 530-2 (Division and Merger through the Division of Company) (1) of the Commercial Act.

② The provisions of Paragraph (1) shall not apply if the Fair Trade Commission deems that a combination of enterprises meets any of the requirements described below. In this case, the parties concerned must prove that they meet such

requirements. *<Amended on February 5, 1999>*

1. The promotion of efficiency attainable through the combination of enterprises is greater than the negative effect produced by the restricted competition.

2. A combination is with a nonviable company meeting the requirements prescribed by the Presidential Decree, for instance, a company whose total capital in its balance sheet is less than its paid-in capital for a reasonable period of time.

③ Deleted *<August 3, 2007>*

④ If a combination of enterprises falls under any of the following cases, competition is presumed to be materially suppressed in any particular business area: *<Newly established on December 30, 1996, February 5, 1999, August 3, 2007>*

1. The aggregate of the market share (referring to the aggregate of market shares of the affiliated companies; the same shall apply herein) of a company taking part in a combination of enterprises (in the case of Paragraph (1), Subparagraph (5), this refers to all companies taking part in the establishment of a new company; the same shall apply hereinafter) falls under any of the following items:

A. The aggregate market share satisfies the presumptive requirements for a market-dominating enterprise.

B. The aggregate market share is the largest in the relevant business area.

C. The aggregate market share exceeds the market share of the company with the second largest market share (referring to the company with the largest market share, when the concerned company is excluded) by not less than 25 percent of the aggregate market share.

2. A large enterprise combines enterprises directly or through a person with special interest in accordance with the following items:

A. A combination of enterprises in a particular business area where small or

medium-sized companies covered by the Framework Act on Small and Medium-Size Enterprises account for not less than two-thirds of the entire market share

B. A combination of enterprises wherein the combination results in a market share of not less than 5 percent

⑤ The Fair Trade Commission may establish and announce the standards in relation to the combination of enterprises that materially suppress competition in a particular business area under Paragraph (1) as well as to the combinations of enterprises to which the provisions of Paragraph (1) do not apply as per Paragraph (2).

Article 7-2 (Standards for the Acquisition or Ownership of Shares)

The acquisition or ownership of shares under this Act shall be determined by the genuine ownership of shares regardless of the names listed on the register. *[Newly established on December 30, 1996]*

Article 8 (Reporting the Establishment of or Conversion into a Holding Company)

Any person who has established a holding company or has converted a company into a holding company shall report to the Fair Trade Commission under the conditions prescribed by the Presidential Decree. *<Amended on January 16, 2001>*
[Fully amended on February 5, 1999]

Article 8-2 (Restrictions, Etc., on the Holding Company)

① The terms used herein have the following definitions:

<Newly established on December 31, 2004, August 3, 2007>

1. The term “joint venture” refers to an enterprise wherein two or more investors (among those investors in special relation/interest, with the exception of the investor

specified by the Presidential Decree, others shall be regarded as one person), with ownership of shares substantial enough to influence the business management, significantly restrict the transfer of stock ownership via any contract or other similar measures thereby making changes in stock ownership among investors difficult.

2. The term "venture holding company" refers to a holding company that has venture companies (hereinafter referred to as "venture company") as subsidiaries pursuant to Paragraph (1), Article 2 (Definition) of the Act on Special Measures for the Promotion of Venture Business and is in accordance with the criteria prescribed by the Presidential Decree.

② No holding company shall commit any of the following acts: *<Amended on January 16, 2001, January 26, 2002, December 31, 2004, April 13, 2007, August 3, 2007>*

1. Act of having debt obligations exceeding twice the amount of total capital (referring to an amount obtained by deducting the debt obligations from the total assets indicated in the balance sheet; the same shall apply hereinafter). However, if the debt obligations of the company surpass twice the amount of total capital at the time of establishing or transforming into a holding company, the holding company may have debts obligations surpassing twice the amount of total capital for two years following the establishment or transformation into a holding company.

A. Deleted <December 31, 2004>

B. Deleted <December 31, 2004>

C. Deleted <December 31, 2004>

2. Act of owning less than 40/100 of the total number of its subsidiary's issued stocks [or less than 20/100 if the relevant subsidiary is a stock-listed corporation (hereinafter referred to as "listed corporation"), a corporation listed in foreign stock exchanges notified by the Fair Trade Commission with dispersion conditions of stock ownership

and such listing requirements that are considerably similar to the listing requirements of domestic stock markets (hereinafter referred to as “foreign-listed corporation”), a joint venture, or subsidiary of a venture holding company. Herein referred to as “the standard for holding the shares of subsidiaries”] However, this provision shall not apply if ownership falls below the standard for holding shares of subsidiaries due to any of the following reasons:

A. The venture holding company falls short of the standard for holding the shares of subsidiaries at the time the company transformed itself into a holding company, and it has been less than two years from the date of establishment of or transformation into a holding company

B. The venture holding company falls short of the standard for holding the shares of subsidiaries due to a subsidiary that no longer falls under the categories of a listed corporation, foreign listed corporation, or joint venture, and it has been less than a year from the date of the subsidiary no longer being categorized as thus

C. When a company that had been a venture holding company falls short of the standards for holding the shares of subsidiaries, and it no longer falls under the category of a venture holding company, and it has been less than a year from the date of the company no longer being categorized as thus

D. The venture holding company falls short of the standard for holding shares of subsidiaries when the subsidiary, in the process of buying or selling its shares, first allocates shares to the Employee Share Ownership Program as per the provisions of Securities and Exchange Act, Article 191-7 (priority allocation to the member of the Employee Share Ownership Program) or new stock preemptive rights have been exercised or conversion of bond with warrant or conversion of bonds have been requested against the shares of the subsidiary as per the provisions of Article 513 (Issuance of Convertible Bonds) or Article 516-2 (Issuance of Bonds with Warrant) of the Commercial Act, and it has been less than a year from the date the company has fallen short of the standard

E. The venture holding company falls short of the standard for holdings shares of subsidiaries when a company other than a subsidiary has become a subsidiary, and it has been less than a year from the date the non-subsubsidiary company has become a subsidiary

F. The venture holding company falls short of the standard for holdings shares of subsidiaries in the process of removing a subsidiary company, and it has been less than a year since the holding company has fallen short of the standard (limited to the situation wherein the association as a subsidiary is terminated within a year of the holding company falling short of the standard)

G. The venture holding company falls short of the standard for holdings shares of subsidiaries due to a subsidiary that has merged with another company, and it has been less than a year since the holding company has fallen short of the standard

3. The act of owning more than 5/100 of total stocks issued by a domestic company (this excludes a company that operates a private investment business as per Subparagraphs (1) through (4), Article 4 (Method of Promoting a Private Investment Business) of the Act on Private Participation in Infrastructure; the same shall apply hereinafter) other than a subsidiary (this provision does not apply to a holding company whose sum of share prices in domestic companies other than subsidiaries is less than 15% of the sum of share prices of subsidiaries) or the act of owning stocks of domestic affiliates other than subsidiaries. However, this excludes the case wherein a non-affiliate domestic company or affiliate domestic company owns shares for any of the following Subparagraphs:

A. A company had been involved in activities stipulated in the provision herein at the time of conversion into or establishment as a holding company, and it has been less than two years following the conversion into or establishment as a holding company

B. A company had been involved in activities stipulated in the provision herein in the process of changing a company other than affiliates into an affiliate, and it has been

less than a year following the involvement in activities stipulated in the provision herein (this is limited to the case wherein the change to an affiliate was within the same period)

C. In the process of letting domestic affiliates that do not have shares become subsidiary companies, it has been less than a year following the date the affiliate companies concerned began owning shares (limited to the case wherein a company became an subsidiary during the same period)

D. In the process of removing an affiliate from the category of affiliated companies, it has been less than a year following the removal of the affiliate

4. For a holding company that owns stocks of subsidiaries operating a financial or insurance business (hereinafter referred to as "financial holding company"), the act of owning stocks of a domestic company other than a company operating in financial or insurance businesses (this includes a company meeting the standards prescribed by the Presidential Decree for a company closely connected to the financial business or insurance business). However, if the company held shares in domestic companies other than those operating financial or insurance business at the time of conversion into or establishment as a financial holding company, the company may hold shares of such domestic companies for two years following the conversion into or establishment as a financial holding company

5. For a holding company that is not a financial holding company (hereinafter referred to as "general holding company"), the act of owning stocks of a domestic company operating in the financial or insurance businesses. However, if the company held shares in domestic companies operating in the financial or insurance businesses at the time of conversion into or establishment as a general holding company, the company may hold shares of such domestic companies for two years following the conversion into or establishment as a general holding company

③ A subsidiary under a general holding company shall not commit any of the following acts: <Amended on December 31, 2004, April 13, 2007, August 3, 2007>

1. Act of owning less than 40/100 of the total number of its business related sub-subsubsidiary's issued stocks [or less than 20/100 if the relevant business related sub-subsubsidiary is a listed corporation, a foreign-listed corporation, or a joint venture. Herein referred to as "the standard for holding the shares of business related sub-subsidiaries"] However, this provision shall not apply if ownership falls below the standard for holding shares of business related sub-subsubsidiary due to any of the following reasons:

A. The subsidiary falls short of the standard for holding the shares of business related sub-subsubsidiary at the time the company transformed itself into a subsidiary, and it has been less than two years from the date of establishment of or transformation into a subsidiary

B. The subsidiary falls short of the standard for holding the shares of subsidiaries due to a business related sub-subsubsidiary that no longer falls under the categories of a listed corporation, foreign-listed corporation, or joint venture, and it has been less than a year from the date of the business related sub-subsubsidiary no longer being categorized as thus

C. The subsidiary falls short of the standard for holding shares of business related sub-subsubsidiary when the business related sub-subsubsidiary, in the process of buying or selling its shares, first allocates shares to the Employee Share Ownership Program as per the provisions of Securities and Exchange Act, Article 191-7 (priority allocation to the member of the Employee Share Ownership Program) or new stock preemptive rights have been exercised or conversion of bond with warrant or conversion of bonds have been requested against the shares of the business related sub-subsubsidiary as per the provisions of Article 513 (Issuance of Convertible Bonds) or Article 516-2 (Issuance of Bonds with Warrant) of the Commercial Act, and it has been less than a year from the date the subsidiary has fallen short of the standard

D. The subsidiary falls short of the standard for holdings shares of business related sub-subsidiary due to a company other than a business related sub-subsidiary that has become a business related sub-subsidiary, and it has been less than a year from the date the company concerned has become a business related sub-subsidiary

E. The subsidiary falls short of the standard for holdings shares of business related sub-subsidiary in the process of removing a business related sub-subsidiary company, and it has been less than a year since the subsidiary has fallen short of the standard (limited to the situation wherein association as a business related sub-subsidiary is terminated within a year of the subsidiary falling short of the standard)

F. The subsidiary falls short of the standard for holdings shares of business related sub-subsidiary due to a business related sub-subsidiary that has merged with another company, and it has been less than a year of the subsidiary falling short of the standard

2. Act of holding shares in domestic affiliates other than business related sub-subsidiary. However, this provision does not apply to a subsidiary holding shares of a domestic affiliate for any of the following reasons:

A. The domestic affiliate was holding shares at the time of becoming a subsidiary, and it has been less than two years from the date the domestic affiliate has become a subsidiary

B. It has been less than a year from the date of associating a company other than an affiliate as a business related sub-subsidiary, (limited to cases wherein a company became a business related sub-subsidiary during the same period)

C. In the process of letting domestic affiliates that do not have shares become a business related sub-subsidiary, it has been less than a year from the date of owning shares in the affiliates concerned (this is limited to cases wherein the affiliated has become a business related sub-subsidiary within the same period)

D. In the process of removing a business related sub-subsidiary from the category of

business related sub-subsidiary, it has been less than a year following the removal of the business related sub-subsidiary (this is limited to cases wherein association as an affiliated company was terminated within the same period)

E. A business related sub-subsidiary holds shares in another subsidiary due to a merger with this subsidiary concerned, and it has been less than a year from the date the business related sub-subsidiary has held such shares

F. A subsidiary with treasury stock holds shares of other domestic affiliates due to a corporate split-up, and it has been less than a year from the date the subsidiary has held such shares

3. Act of controlling companies operating a financial or an insurance business as a business related sub-subsidiary. However, in the case wherein the company became a subsidiary of a general holding company while controlling a business related sub-subsidiary operating in the financial or insurance business, the subsidiary may control the business related sub-subsidiary for two years from the date the company became a subsidiary

④ The business related sub-subsidiary of a general holding company shall not own shares of domestic affiliates. However, holding shares of domestic affiliates is allowed if for any of the following reasons : <Newly established on December 31, 2004, August 3, 2007>

1. A business related sub-subsidiary held shares in domestic affiliates at the time of becoming a business related sub-subsidiary, and it has been less than two years from the date of becoming a business related sub-subsidiary

2. A domestic company that is not an affiliate but holds shares becomes an affiliate, and it has been less than a year from the date of becoming an affiliate

3. A business related sub-subsidiary with treasury stock holds shares of other domestic affiliates due to a corporate split-up, and it has been less than a year from

the date of owning shares

4. A business related sub-subsidiary holds all issued stocks of the domestic affiliate (excluding companies operating in the financial or insurance businesses)

⑤ A company with shares held by a business related sub-subsidiary (hereinafter referred to as "third-tier subsidiary") may not hold shares of domestic affiliates, as per Subparagraph (4), Paragraph (4). However, this provision does not apply if shares of domestic affiliates are held for any of the following reasons: <Newly established on August 3, 2007>

1. The company held shares in domestic affiliates at the time of becoming a third-tier subsidiary, and it has been less than two years from the date of becoming a third-tier subsidiary

2. A domestic company other than an affiliate held shares at the time of becoming an affiliate company, and it has been less than a year from the date of becoming an affiliate

⑥ The grace period in the application of Paragraph (2), Article 1, Subparagraphs 2-A, 3-A, 4, and 5, Paragraph (2), Subparagraphs 1-A, 2-A, and 3, Paragraph (3), Subparagraph (1), Paragraph (4), and Subparagraph (1), Paragraph (5) may be extended by two years upon approval from the Free Trade Commission in the event of difficulty in reducing debt obligations or difficulty in acquiring and selling stock due to changes in economic conditions, e.g. sudden changes in the price of stock, stock disposal prohibition agreements, considerable losses in business, or other reasons. <Newly established on April 13, 2007, August 3, 2007>

⑦ A holding company shall submit a report on business contents such as stockholding and financial standing of the holding company, subsidiaries, business related sub-subsidiary, and third-tier subsidiaries (hereinafter referred to as "holding

companies, etc.") to the Fair Trade Commission under the conditions prescribed by the Presidential Decree. <Amended on December 31, 2004, April 13, 2007, August 3, 2007>

[Newly established on February 5, 1999]

Article 8-3 (Limitation on the Establishment of a Holding Company by Large Business Groups Subject to the Limitation on Debt Guarantees)

If the same person who controls a company that belongs to a Business Group subject to the limitations on debt guarantees as designated in accordance with Article 14 (Designation, Etc, of Business Group, Etc., Subject to the Limitations on Cross-Shareholding) (1) or a person with special interest to the same person intends to establish a holding company or convert a company into a holding company, he/she shall redeem one of the following debt guarantees which are regulated under Article 10-2 (Prohibition on Debt Guarantees for Affiliated Companies). <Amended on January 26, 2002>

1. Debt guarantees between a holding company and its subsidiary
2. Debt guarantees between a holding company and other domestic affiliated companies (excluding subsidiaries controlled by the holding company)
3. Debt guarantees between subsidiaries
4. Debt guarantees between a subsidiary and another domestic affiliated company (excluding a holding company that controls the subsidiary and other subsidiaries controlled by the holding company)

[Newly established on February 5, 1999]

Article 9 (Prohibition, Etc. on Cross-Shareholding)

① Any company belonging to a Business Group falling under the criteria, e.g. total assets in excess of a specified amount, set forth in the Presidential Decree and consequently designated under the criteria specified in Paragraph (1), Article 14

(Designation, Etc., of Business Group, Etc., Subject to the Limitations on Cross-Shareholding) (hereinafter referred to as "Business Group Subject to the Limitations on Cross-Shareholding") shall not acquire or own stocks of an affiliated company that has acquired or owns stocks of the relevant company. However, this shall not apply under any of the following cases. <Amended on January 26, 2002>

1. Merger of companies or acquisition via the transfer of an entire business
2. Enforcement of security rights or receipt of payments in substitute

② Any company with cross-shareholding under the proviso of Paragraph (1) shall dispose of stocks within six months of acquiring or holding them. Note, however, that this provision shall not apply to cases wherein an affiliated company acquiring or holding its own stocks disposes of them.

③ Any company belonging to a Business Group Subject to the Limitations on Cross-Shareholding and serving as an investment company for the establishment of small and medium-sized enterprises in accordance with the Support for Small and Medium-Sized Enterprise Establishment Act shall not acquire nor hold stocks of a domestic affiliated company. <Amended on January 26, 2002, August 3, 2007>

Article 10 Deleted <March 25, 2009>

Article 10-2 (Prohibition on Debt Guarantees for Affiliated Company)

① Any company (excluding a company operating a financial business or an insurance business; the same shall apply hereinafter) belonging to a Business Group (hereinafter referred to as "Business Group Subject to the Limitations on Debt Guarantees") falling under the criteria, e.g. total assets in excess of a specified amount, set forth in the Presidential Decree, and consequently receiving the designation as per Article 14 (1), shall not give debt guarantees to its domestic affiliated companies. Note, however, that this shall not apply to a debt guarantee under any of the following cases: <Amended on December 30, 1996, February 24,

1998, February 8, 1999, January 26, 2002, August 3, 2007>

1. Guarantee made in connection with any debt of a company taken over according to the criteria for rationalization under the Restriction of Special Taxation Act

2. Deleted <December 30, 1996>

3. Guarantee with respect to debts as deemed necessary to enhance the international competitiveness of enterprises and other guarantees set forth by the Presidential Decree

② For the purpose of Paragraph (1), the term “debt guarantee” refers to any guarantee to be made to a domestic affiliated company by a company belonging to a Business Group subject to the limitations on debt guarantees in relation to the credit loan from any of the following domestic financial institutions: *<Amended on August 30, 1997, December 13, 1997, February 24, 1998, January 26, 2002, August 3, 2007>*

1. Banks prescribed by the Banking Act, Korea Development Bank, Export-Import Bank of Korea, Long-Term Credit Bank, and Industrial Bank of Korea

2. Deleted <January 13, 1998>

3. Insurance companies as prescribed by the Insurance Business Act

4. Investment and sales companies, investment agencies, and financial institutions as prescribed by the Act on Capital Market and Financial Investment Business

5. Deleted <August 3, 2007>

6. Other financial institutions as prescribed by the Presidential Decree

③ Deleted <February 24, 1998>

④ Deleted <February 24, 1998>

[Newly established on December 8, 1992]

Article 10-3 Deleted <January 16, 2001>

Article 11 (Limitation on the Voting Rights of a Financial or Insurance Company)

Financial or insurance companies belonging to a Business Group subject to the limitations on cross-shareholding shall not exercise voting rights for acquired or owned stocks of domestic affiliated companies. Note, however, that this provision shall not apply in any of the following cases:

<Amended on December 8, 1992, December 30, 1996, January 26, 2002, December 31, 2004, April 13, 2007, August 3, 2007>

1. Acquiring or owning stocks to operate a financial business or an insurance business
2. Acquiring or owning stocks upon approvals, etc. pursuant to the Insurance Business Act and such, in order to operate and manage insurance properties efficiently
3. Cases wherein resolution is passed for any of the following matters during the general meeting of stockholders of a relevant domestic affiliated company (limited to stock-listed corporations). In these cases, the number of voting stocks from among those of the financial or insurance company shall not exceed 15/100 of the gross number of stocks issued by the said affiliated company. This includes the number of stocks to be exercised by persons, other than those stipulated by the Presidential Decree, in special interest with the said affiliated company):
 - A. Appointment or dismissal of officers
 - B. Amendment of the articles of incorporation
 - C. Merger of the said affiliated company with another company or transfer of all or part of the business to another company

Article 11-2 (Resolution of the Board of Directors and its Publication on Large-Scale Intra-Group Transaction)

① Any company belonging to a Business Group falling under the criteria, e.g. total assets in excess of a specified amount, set forth in the Presidential Decree, (hereinafter referred to as "company subject to the publication of internal trading")

and, under any of the following cases, intending to carry out trading that is beyond the business scale prescribed by the Presidential Decree (hereinafter referred to as "large-scale intra-group transaction") with or for persons with special interest shall publish such intention in advance following a resolution of the board of directors (the same shall apply to cases wherein such company intends to change major contents as prescribed in Paragraph (2)): *<Amended on January 26, 2002, April 13, 2007>*

1. Act of channeling or trading funds, such as suspense payments and loans.
2. Act of offering or trading securities, such as stocks and company bonds.
3. Act of offering or trading assets, such as real estate or intangible property rights.
4. Act of offering or trading goods or services to or for an affiliate as prescribed by the Presidential Decree in consideration of the stockholder constituent

② Any company subject to the publication of internal trading, in making the publication pursuant to the provisions of Paragraph (1), shall include major contents - such as the objective of the trading, partners, scale, and terms of such trading - as prescribed by the Presidential Decree.

③ The Fair Trade Commission may entrust the business related to the publication as prescribed in the provisions of Paragraph (1) to institutions in charge of receiving reports as established pursuant to the provisions of Article 161 (Submitting Report) of the Act on Capital Market and Financial Investment Business. In this case, the Fair Trade Commission shall determine the methods, procedures, and other necessary matters relevant to the publication following consultations with such entrusted institutions. *<Amended on August 3, 2007>*

④ A financial or an insurance business company subject to the publication of internal trading may engage in trading without obtaining a resolution of the board of directors, regardless of the provisions of Paragraph (1), if it intends to carry out standardized trading according to the Presidential Decree. Note, however, that such company shall publish the contents of such trading.

⑤ In accordance with Paragraph (1), when a listed corporation follows the resolution

of a committee (this is limited to the case wherein the committee includes more than 3 external directors, and the number of external directors is more than 2/3 of all committee members as prescribed by Paragraph (19), Article 2 (Definitions) of the Securities Exchange Act) established according to Article 393-2 (Committees in the Board of Directors) of the Commercial Act, the resolution shall be considered to have been passed by the board of directors. <Newly established on August 3, 2007>
[Newly established on December 28, 1999]

Article 11-3 (Disclosure of Important Contents of Non-listed Corporations, Etc)

① Any company (except companies operating a financial or an insurance business) belonging to a Business Group falling under the criteria, e.g. total assets in excess of a specified amount, set forth in the Presidential Decree that is not a listed corporation shall disclose any of the following if applicable. Note, however, that disclosures in accordance with Article 11-2 shall be excluded: <Amended on April 13, 2007, August 3, 2007>

1. Important issues related to corporate ownership and governance structure, such as the status and changes of share ownership among the largest shareholders and major shareholders (refers to major shareholders as defined under the provision of Subparagraph (2), Paragraph (1), Article 9 of the Capital Market and Financial Investment Business Act) and changes in business executives, as stipulated by the Presidential Decree
2. Activities causing important changes to the corporate financial structure, such as the acquisition or transfer of assets and shares, pledging of collateral, and waiving or undertaking of debt, as stipulated by the Presidential Decree
3. Major activities related to the management of the company, such as transfer or acquisition by transfer of business, merger or split-up, and stock swap or transfer, as stipulated by the Presidential Decree

② The provisions under Paragraphs (2) and (3), Article 11-2 (Resolution of the Board

of Directors and Publication on Large-Scale, Intra-Group Transaction) shall apply the disclosure provisions under Paragraph(1).

[Newly established on December 31, 2004]

Article 11-4 (Disclosure on the Status of the Business Group)

① A company belonging to a Business Group subject to the limitations on cross-shareholding with total assets and such falling under the criteria prescribed by the Presidential Decree shall disclose activities, such as the general status, status on stock ownership, and transactions with persons with special interest, stipulated by the Presidential Decree

② The provisions of Paragraph (3), Article 11-2 shall apply mutatis mutandis to the publication referred to in Paragraph (1).

③ Necessary matters, other than those set forth in Paragraph (2), regarding the time, methods and procedures for publication under Paragraph (1) shall be prescribed by Presidential Decree.

[Newly established on March 25, 2009]

Article 12 (Notification on Combination of Enterprise)

① A company having a total amount of assets or sales turnover that meets the criteria as prescribed by the Presidential Decree (limited to large companies if the combination of enterprises falls under Subparagraph (3); referred to as “company subject to notification on combination of enterprise” hereinafter) or person with special interest with the said company subject to notification on combination of enterprise participating in a combination of enterprises under Subparagraphs 1~4 with another enterprise whose total amount of assets or sales turnover meets the criteria prescribed by the Presidential Decree (referred to as “counterpart company” hereinafter), or a company subject to notification on combination of enterprise or the

person with special interest with the said company jointly participates in a combination under Subparagraph (5) with a counterpart company or a person with special interest with the said counterpart company, a report shall be made to the Fair Trade Commission as prescribed by the Presidential Decree. The same shall apply when a company other than a company subject to notification on combination of enterprise that meets the asset size of a counterpart company or person with special interest with a counterpart company participates in a combination under any of the Subparagraphs 1~4, or a company other than a company subject to notification on combination of enterprise that meets the asset size of a counter company or a person with special interest with a counterpart company jointly participates in a combination under Subparagraph (5) with a company subject to notification on combination of enterprise or a person with special interest with a company subject to notification on combination of enterprise. <Amended on December 31, 2004, April 13, 2007, August 3, 2007>

1. A company obtains at least 20/100 (15/100 for a stock-listed corporation) of the total number of stocks issued by another company (excluding non-voting stocks pursuant to Article 370 (Non-voting Shares) of the Commercial Act; the same shall apply hereinafter)
2. A company with share ownership exceeding the proportion specified in Subparagraph (1) becomes the largest shareholder through additional acquisition of shares of another company
3. A company with interlocking directorate (except for the case of interlocking directorate with affiliate companies)
4. A company carries out the activities in Subparagraphs 3 or 4, Paragraph (1), Article 7 (Restriction on the Combination of Enterprises)
5. A company participates in the establishment of a new company and becomes its largest investor

②The total amount of assets or sales turnover of a company subject to notification on

combination of enterprise and its counterpart company as stipulated in Paragraph (1) includes the total assets or sales turnover of the respective affiliate companies that maintain affiliate status from the day before the combination of enterprises to the day after the combination of enterprises. Note, however, that in case of acquisition of business by transfer (including the lease of business operation, entrustment of business management, and transfer of fixed assets used for business operation) under the provision in Subparagraph (4), Paragraph (1), Article 7 (Restriction on the Combination of Enterprises), the total amount of assets or sales turnover of the company transferring its assets shall not include the total amount of assets or sales turnover of affiliates. <Newly established on December 31, 2004>

③ Notwithstanding the provisions of Paragraph (1), a company shall not be subject to notification on combination of enterprise, , where it falls under any of the following cases: <Newly established on January 16, 2001, January 26, 2002, August 26, 2002, December 31, 2004, August 3, 2007>

1. A small and medium-sized enterprise startup investment company or small and medium-sized enterprise startup investment association under Subparagraphs 4 and 5, Article 2 of the Support for Small and Medium-Sized Enterprise Establishment Act obtains shares of the founder under Subparagraph (2), Article 2 (referred to as “founder” hereinafter) or of a venture business in excess of the proportion specified in Subparagraph (1), Article 1, or jointly participates in the establishment of a venture business with another company and becomes the largest investor

2. A venture capitalist or business venture investment association defined under Article 41 (Application Scope) (1) and (3) of the Specialized Credit Financial Business Act obtains shares of the business venture defined in Paragraph (1), Article 2 (Definitions) of the Korea Technology Credit Guarantee Fund Act (referred to as "business venture" hereinafter) in excess of the proportion specified in Subparagraph (1), Paragraph (1) or jointly participates in the establishment of a business venture with another company and becomes the largest investor

3. A company subject to notification on combination of enterprise obtains shares of any of the following companies in excess of the proportion in Subparagraph (1), Paragraph (1) or becomes the largest investor by jointly participating in the establishment of any of the following companies:

A. Investment company (excluding corporate takeover securities investment company in Article 142-1) under the Indirect Investment Asset Management Act

B. Company designated as a private investment business enforcer in infrastructure based on the Act on Private Participation in Infrastructure

C. Investment company established to invest in the company specified in Item B (limited to companies in Subparagraph (6), Paragraph (1), Article 51-2 of the Corporate Tax Act)

D. Real Estate Investment Trusts under the Real Estate Investment Trust Act

④ The provisions of Paragraph (1) shall not apply if the head of the central administrative agency concerned has, under the provisions of a different Act, consulted in advance with the Fair Trade Commission regarding the combination of enterprises.

⑤ In computing the proportion of share ownership or acquisition pursuant to Subparagraph (1), (2), or (5), Paragraph (1), determining whether a company becomes the largest investor, the shares owned by a person with special interest with the company concerned shall be included. *<Amended on December 31, 2004, August 3, 2007>*

⑥ Notification on combination of enterprise under Paragraph (1) shall be done within thirty days of the date of such combination. If one or more companies involved in a combination of enterprises under Subparagraph (1), (2), (4) or (5) Paragraph (1) (excluding combinations determined by the Presidential Decree) are large-scale companies, reporting on matters such as the date of conclusion of contracts for merger shall be issued within the time period between the date set by the Presidential Decree and the day before the combination. *<Amended on February 5,*

1999, December 31, 2004>

⑦ Anyone who must report under the proviso of Paragraph (6) (excluding combinations determined by the Presidential Decree) shall not hold any stocks, register a merger, carry out a contract for the takeover of business, or acquire stocks within thirty days of notification on combination of enterprise. Note, however, that the Fair Trade Commission may shorten the period or extend up to 90 days from the date following the expiry date. <Amended on December 31, 2004>

⑧ Any person intending to combine enterprises under Paragraph (1), Article 7 (Restriction on the Combination of Enterprises) may request the Fair Trade Commission to evaluate whether such combination may be categorized as one that practices substantially suppressing competition even before the period requiring a report under Paragraph (6). <Amended on February 5, 1999, January 16, 2001, December 31, 2004>

⑨ Upon the request for a evaluation under Paragraph (8), the Fair Trade Commission shall notify the company concerned of its evaluation within thirty days. If necessary, however, the Fair Trade Commission may extend such period up to 90 days from the date following the expiry date. <Amended on February 5, 1999, January 16, 2001, December 31, 2004>

⑩ When the duty to file a report pursuant to Paragraph (1) falls on two or more companies, such companies shall file the report jointly. Note, however, that this provision shall not apply if the Fair Trade Commission has designated one of the companies belonging to a Business Group in which the company subject to reporting belongs as the representative responsible for filing the report (referred to as “representative” herein) under the conditions prescribed by the Presidential Decree. [Fully amended on December 30, 1996]

Article 12-2 (Exception in the Notification Procedure for the Combination of Enterprises)

① If a company, applying for recommendation for approval, change, and permit (referred to as "approval, etc." hereinafter) for establishment of a corporation, merger, or change in the largest investor (hereinafter referred to as "corporate establishment, etc.") falling under any of the following items, is subject to notification on combination of enterprise as per Paragraph (1), Article 12 (Notification on the Combination of Enterprises), the company may also submit the reporting document on the combination of enterprises when applying for approval, etc. to the competent authorities (including the Korea Communications Commission; the same shall apply hereinafter) issuing the approval, etc.:

1. Deleted <March 22, 2010>

2. Merger of corporations {this is limited to corporations that are general wired broadcasters under Subparagraph (3) (B), Article 2 (Definitions of Terms) of the Broadcasting Act; referred to as "general wired broadcaster" hereinafter) according to Subparagraph (1), Paragraph (1), Article 15 (Approval, Etc.) of the Broadcasting Act.

3. Becoming the largest investor in the general wired broadcaster or to materially control the management rights of the general wired broadcaster under Paragraph (1), Article 15-2 (Change of the Largest Investor, Etc. and Approval) of the Broadcasting Act.

② If the applicant for approval, etc., submits the reporting document on the combination of enterprises to the competent authorities as per Paragraph (1), the date the document has been received shall be the reporting date as per Paragraph (2), Article 12.

③ Upon receiving the reporting document on the combination of enterprises, the competent authorities must forward it to the Fair Trade Commission without delay.

④ Those who must report the combination of enterprises under Paragraph (6), Article 12 may submit the document on the approval, etc., of corporate establishment as well when notification on combination of enterprise to the Fair Trade Commission.

⑤ Upon receiving the document on the approval, etc., of corporate establishment under Paragraph (4), the Fair Trade Commission must forward it to the competent authorities without delay. *[Newly established on August 3, 2007]*

Article 13 (Report on the Status of Shareholding, Etc.)

① All companies belonging to a Business Group subject to limitations on cross-shareholding or a Business Group subject to the limitations on debt guarantees shall submit a report on the status of ownership, stockholders, financial standing, and status of their ownership of shares in other domestic companies to the Fair Trade Commission under the conditions prescribed by the Presidential Decree. *<Amended on December 30, 1996, January 26, 2002>*

② All companies belonging to the Business Group subject to the limitations on debt guarantees shall, upon obtaining confirmation from a domestic financial institution, submit a report on the status of debt guarantees issued in favor of domestic affiliated companies to the Fair Trade Commission pursuant to the Presidential Decree. *<Newly established on December 8, 1992, December 30, 1996, January 26, 2002>*

③ The provision of Article 12 (10) shall apply to reports referred to in Paragraphs (1) and (2). *<Amended on December 30, 1996, January 16, 2001, December 31, 2004>*

④ Deleted *<December 30, 1996>*

Article 14 (Designation, Etc., of Business Groups Subject to the Limitations on Cross-Shareholding, Etc.)

① The Fair Trade Commission shall designate a Business Group subject to the limitations on cross-shareholding and a Business Group subject to the limitations on debt guarantees (referred to as "Business Group Subject to the Limitations on Cross-Shareholding, Etc." hereinafter) under the conditions prescribed in the Presidential Decree and shall notify companies belonging to such groups accordingly. *<Amended on December 8, 1992, January 26, 2002>*

② The provisions of Article 9(Prohibition, Etc. on Cross-Shareholding), Article 10-2(Prohibition on Debt Guarantees for Affiliate Company), Article 11(Limitations on Voting Rights of a Financial or Insurance Company) and Article 13(Report on the Status of Shareholding, Etc.) shall apply from the date of receipt of notification referred to in Paragraph (1). <Amended on December 30, 1996, February 5, 1999>

③ Notwithstanding Paragraph (2), if a company notified as belonging to a Business Group subject to the limitations on cross-shareholding, etc. pursuant to Paragraph (1) or a company notified as belonging to a Business Group subject to the limitations on cross-shareholding, etc. upon incorporation as an affiliated company into a Business Group subject to the limitations on cross-shareholding, etc. pursuant to the provisions of Article 14-2 (1)(Incorporation and Exclusion of Affiliated Companies) is in violation of the provisions of Article 9(Prohibition, Etc. on Cross-Shareholding) (1) or (3), Article 10-2(Prohibition on Debt Guarantees for Affiliate Company) at the time of receiving such notice, such violation shall be dealt with as follows: <Amended on December 28, 1999, January 16, 2001, January 26, 2002, March 31, 2005, March 25, 2009>

1. If the company violates the provisions of Article 9 (Prohibition, Etc. on Cross-Shareholding) (1) or (3) [including cases wherein the issuing company of the stocks acquired or owned is newly incorporated as an affiliated company and deemed to violate Article 9 (3)(Prohibition, Etc. on Cross-Shareholding)], these same provisions shall not apply for one year from the date of designation or affiliation.

2. Deleted <March 25, 2009>

3. If the company is in violation of the provisions of Article 10-2 (1) (Prohibition on Debt Guarantees for Affiliate Company) (including the case wherein the company receiving debt guarantees is newly incorporated as an affiliated company and thus in violation), these same provisions shall not apply for two years from the date of designation or incorporation. Note, however, that when the rehabilitation procedure is initiated based on the Debtor Rehabilitation and Bankruptcy Act on the company

under regulations other than those in these items, the provisions shall not apply until the ending date of the rehabilitation procedure. When a company covered by regulations other than those in these items has debt guarantee for the company subjected to the initiated rehabilitation procedure, the provisions shall not apply until the ending date of the rehabilitation procedure for the company receiving debt guarantee.

④ The Fair Trade Commission may request a company or a person with special interest with a company to provide the documents necessary for evaluating the possible designation of a Business Group as referred to in Paragraph (1).

⑤ A company (excluding companies with total assets at the end of the previous fiscal year below that specified by the Presidential Decree that are in liquidation or whose business has been suspended for at least one year) belonging to a Business Group subject to the limitations on cross-shareholding, etc. shall be audited by a certified public accountant, and the Fair Trade Commission shall use the balance sheet revised according to the opinions on the audit by the certified public accountant. *<Newly established on February 24, 1998, January 26, 2002, December 31, 2004>*

Article 14-2 (Incorporation into and Exclusion from Affiliated Companies)

① When a company needs to be incorporated into or excluded from a Business Group subject to the limitations on cross-shareholding, etc., the Fair Trade Commission shall determine whether the said company meets the criteria for an Affiliated Corporation and decide whether to incorporate such company into or exclude it from Affiliated Companies at the request of the said company (including Persons with special interest with the corporation) or on the Fair Trade Commission's own initiative. *<Amended on January 26, 2002>*

② The Fair Trade Commission may request the company concerned to submit data on the composition of stockholders and directors, status of debt guarantees, financial

standing, transactions, and other matters deemed necessary for the evaluation referred to in Paragraph (1).

③ The Fair Trade Commission shall notify the requesting person of the evaluation results within thirty days of receiving a request for evaluation as referred to in Paragraph (1). Note, however, that such period may be extended up to sixty days when the Fair Trade Commission deems necessary. *[Newly established on December 30, 1996]*

Article 14-3 (Presumption of Incorporation into Affiliated Company and Notification Date)

If a company that should be incorporated into a Business Group subject to the limitations on cross-shareholding, etc. is not incorporated due to its refusal to submit data without a justifiable reason or its submission of falsified data upon receiving a request under Article 14 (4) or 14-2 (2), the Fair Trade Commission shall consider the company to have been incorporated into a Business Group subject to the limitations on cross-shareholding, etc. as well as notified accordingly on the date specified by the Presidential Decree. *<Amended on January 26, 2002>*

[Newly established on February 5, 1999]

[Former Article 14-3 moved to Article 14-4 <February 5, 1999>]

Article 14-4 (Requests for the Confirmation of Documents with Relevant Authorities)

The Fair Trade Commission may request any of the following authorities to confirm or investigate data related to the ownership status of stockholders of domestic affiliated companies belonging to a Business Group subject to the limitations on cross-shareholding, etc., data related to debt guarantees, data related to advanced payments, loans, or collateral, data related to transactions or provision of real estate, and other matters when deemed necessary for enforcing Articles 9 to 11 and Articles 13 to 14-2: *<Amended on December 31, 1997, January 8, 1998, February 24, 1998, January 26, 2002, August 3, 2007>*

1. Financial Supervisory Service pursuant to the Act on the Establishment, etc., of a Financial Supervisory Organization
2. Deleted <February 24, 1998>
3. Domestic financial institutions pursuant to any Subparagraph of Article 10-2 (2)
4. Other institutions, such as financial institutions or institutions involved in stock trading, set forth by the Presidential Decree

[Newly established on December 30, 1996]

[Moved from Article 14-3 <February 5, 1999>]

Article 14-5 (Information Disclosure on the Status of Business Groups Subject to the Limitations on Cross-Shareholding)

① The Fair Trade Commission may open the following information on a company belonging to a Business Group subject to the limitations on cross-shareholding, etc. in order to enhance the transparency of the business group and prevent excessive concentration of economic power:

1. Information set by the Presidential Decree, such as the general status and corporate governance status of companies under the Business Group subject to the limitations on cross-shareholding, etc.
2. Information set by the Presidential Decree, such as investment, debt guarantee, and trading relation among companies under a Business Group subject to the limitations on cross-shareholding, etc. or between a company under a Business Group subject to the limitations on cross-shareholding, etc. and a person with special interest with the said company.

② The Fair Trade Commission may establish and manage an information system to effectively process and make public the information specified in Paragraph (1).

③ The making public of information other than those included in Paragraphs 1 and 2 shall be governed by the Act on Information Disclosure of Public Institutions. *[Newly established on April 13, 2007]*

Article 15 (Prohibition on Evasion of Law)

① No one shall commit any act of evading the application of the provisions of Articles 7 (1), 8-2 (2) to (5), 8-3, 9, 10-2 (1), or 11.

<Amended on December 8, 1992, December 30, 1996, February 24, 1998, February 5, 1999, December 28, 1999, January 16, 2001, January 26, 2002, December 31, 2004, August 3, 2007, March 25, 2009>

② The categories and standards for acts of evasion of law under Paragraph (1) shall be determined by the Presidential Decree.

<Newly established on December 30, 1996>

Article 16 (Remedial Measures, Etc.)

① If any company has violated (or is likely to violate) the provisions of Articles 7 (1) and (3), 8-2 (2) to (5), 8-3, 9, 10-2 (1), 11, 11-2 to 11-4 or 15, the Fair Trade Commission may order such company (this refers to the companies (persons with special interest with companies involved in the combination shall be included if measures for the companies involved in the combination is deemed insufficient to correct the damages of restraint on competition or if the business area in which the persons with special interest operate need correction due to damages from restraint on competition) involved in the combination of enterprises in case of violation of Article 7 (1)) or violator to take any of the following remedial measures. Upon receiving the report under the proviso of Article 12 (6), the Fair Trade Commission shall order the company or violator to take remedial measures within the period prescribed in Article 12 (7):

<Amended on December 30, 1996, February 24, 1998, February 5, 1999, December 28, 1999, January 16, 2001, January 26, 2002, December 31, 2004, August 3, 2007>

1. Discontinuance of the practice concerned
2. Disposition of all or part of the stocks
3. Resignation of officers

4. Transfer of business
5. Cancellation of debt guarantees
6. Public announcement of receipt of a remedial order
7. Restrictions on the business method or business scope to prevent the negative effects of restricted competition pursuant to the combination of enterprises
- 7-2. Performance of duty to notify or correction of notification content
8. Other necessary measures to correct such violation

② If a company has been established, or in case companies have been merged in violation of the provisions of Articles 7 (1), 8-3, or 12 (7), the Fair Trade Commission may file a lawsuit to nullify the said establishment of a company or said merger of companies.

<Amended on December 30, 1996, February 5, 1999, January 16, 2001, January 26, 2002, December 31, 2004, August 3, 2007>

③ The Fair Trade Commission may decide and announce the criteria for imposing each of the correctives measures in the Subparagraphs of Paragraph (1) for violating Article 7 (1). *<Newly established on August 3, 2007>*

Article 17 (Surcharge)

① The Fair Trade Commission may impose on a company that has acquired or owned stocks in violation of Article 9 a surcharge of not more than 10/100 of the purchase price of stocks acquired or owned. *<Amended on December 30, 1996, February 24, 1998, December 28, 1999, March 25, 2009>*

② The Fair Trade Commission may impose on a company that has guaranteed debt in violation of the provisions of Paragraph (1) Article 10-2 (1) a surcharge of not more than 10/100 of the value of the debt guarantee in question. *<Newly established on December 8, 1992, December 30, 1996, February 24, 1998, January 16, 2001>*

③ Deleted *<February 5, 1999>*

④ The Fair Trade Commission may impose a surcharge of not more than 10/100 of

the following amounts on a company violating the provisions of Paragraph (2) to 5 Articles 8-2: <Amended on December 31, 2004, April 13, 2007, August 3, 2007>

1. In case the provisions of Subparagraph (1) ,Paragraph (2), Article 8-2 are violated, the amount of debt exceeding twice the amount of total capital indicated in the balance sheet (referred to as “standard balance sheet” herein) as prescribed by the Presidential Decree

2. In case the provisions of Subparagraph (2) ,Paragraph (2) Article 8-2 are violated, the total book value in the balance sheet of the subsidiary multiplied by amounts equal to the following percentages less the percentage of ownership in the subsidiary shares, then divided by the percentage of ownership in the subsidiary shares:

A. A percentage of 20/100 if the said subsidiary is a stock-listed corporation, a foreign-listed corporation, a joint venture company, or a subsidiary of a venture holding company

B. Deleted <April 13, 2007>

C. A percentage of 40/100 if Item A is not applicable

3. In case the provisions under Subparagraphs 3 to 5, Paragraph (2), Subparagraph (2), Paragraph (3), and Paragraph (4) or Paragraph (5) of Article 8-2 are violated, the amount shall be the total book value indicated in the balance sheet of shares owned in violation

4. In case the provisions of Subparagraph (1), Paragraph (3), Article 8-2 are violated, the total book value in the balance sheet of the business related sub-subsidiary multiplied by amounts equal to the following percentages less the percentage of ownership in the business related sub-subsidiary shares, then divided by the percentage of ownership in the business related sub-subsidiary shares:

A. A percentage of 20/100 if the said business related sub-subsidiary is a stock-listed corporation, a foreign-listed corporation, or a joint venture company

B. A percentage of 40/100 if Item A does not apply to the business related sub-subsidiary

Article 17-2 Deleted <March 25, 2009>

Article 17-3 (Compulsory Performance Money)

① The Fair Trade Commission may impose compulsory performance money per day of not more than the amount equal to the following amounts multiplied by 3/10000 on a violator in violation of Article 7 (1) and who fails to take remedial measures within the specified period pursuant to Article 16 (Remedial Measures). Note, however, that the Fair Trade Commission may impose a fine of not more than KRW 2 million per day on a person who makes a combination of enterprises according to Subparagraph (2), Paragraph (1), Article 7 : <Amended on August 3, 2007>

1. Total sum of the book value of stocks acquired or owned and obligations accepted in the case of a combination of enterprises listed in Subparagraph (1) or 5, Paragraph (1), Article 7

2. Total sum of the book value of stocks granted in compensation for a merger and obligations accepted in the case of a combination of enterprises listed in Subparagraph (3), Paragraph (1), Article 7

3. Amount of business acquired by transfer from another company in the case of a combination of enterprises listed in Subparagraph (4), Paragraph (1), Article 7

② Policies relevant to the imposition, payment, collection, and refund of compulsory performance money shall be determined by the Presidential Decree. Note, however, that compulsory performance money in default shall be collected in accordance with the policies on the disposition of national taxes in default.

③ The Fair Trade Commission may entrust to the Commissioner of the National Tax Administration responsibilities relevant to the collection or disposition of compulsory performance money under Paragraphs 1 and 2. [Newly established on February 5, 1999]

[Moved to Article 17-2 <January 26, 2002>]

Article 18 (Enforcing Compliance with Remedial Measures)

① A company that has been ordered to dispose of stocks pursuant to Paragraph (1), Article 16 (Remedial Measures) may not exercise voting rights with respect to such stocks from the date of receiving such order. *<Amended on December 30, 1996, August 3, 2007>*

② A company that has engaged in cross-shareholding in violation of the provisions of Article 9 may not exercise voting rights with respect to such stocks from the date of receiving a remedial order until the violation has been corrected. *<Amended on December 30, 1996>*

③ Deleted *<March 25, 2009>*

④ Deleted *<March 25, 2009>*

[Fully amended on December 8, 1992]

Chapter 4 Restrictions on Improper concerted practices

Article 19 (Prohibition on Improper concerted practices)

① No enterpriser shall agree with other enterprisers by contract, agreement, resolution, or any other means to engage jointly in any of the following acts or let others engage in such kinds of activities that unfairly restrict competition (hereinafter referred to as “improper concerted practice”):

<Amended on December 8, 1992, December 22, 1994, December 30, 1996, February 5, 1999, December 31, 2004, August 3, 2007>

1. Act of fixing, maintaining, or changing prices

2. Act of determining the terms of trade or conditions of payment of goods or services

3. Act of restricting production, delivery, transportation, or transaction of goods, or transaction of services

4. Act of limiting the territory of trade or counterparties to trade
5. Act of preventing or restricting the establishment or extension of facilities or installation of equipment required for the production of goods or rendering of services
6. Act of restricting the types or specifications of goods or services in producing or transacting goods or services
7. Act of jointly carrying out and managing the main parts of a business or establishing a company, and such, to carry out and manage the main parts of a business jointly
8. Act of deciding the successful bidder or real estate bidder, bidding price, auctioned price or auctioned real estate price, and other matters that should be prescribed by the Presidential Decree
9. Any practice that practices substantially suppressing competition in a particular business area by means other than those under Subparagraphs 1 to 8 that interfere with or restrict the activities or contents of the business of another enterpriser (including the enterpriser performing such act)

② The provision of Paragraph (1) shall not apply if unfair concerted practices meeting the requirements specified in the Presidential Decree and authorized by the Fair Trade Commission are committed for any of the following purposes: <Newly established on December 30, 1996>

1. Industrial rationalization
2. Research and technology development
3. Overcoming economic depression
4. Industrial restructuring
5. Rationalization of trade terms and conditions
6. Enhancement of competitiveness of small and medium enterprises

③ Any and all relevant policies with respect to the standards, methods, procedures for authorization and modification of authorized matters under Paragraph (2) shall be

specified by the Presidential Decree. <Newly established on December 30, 1996, February 5, 1999>

④ Any contract, etc., stipulating the improper concerted practices listed in Paragraph (1) among enterprisers shall be null and void.

⑤ If two or more enterprisers commit any of the acts listed in Paragraph (1) and, after taking into account all matters such as the relevant business area or characteristic of goods or services, economic reason and effect of the relevant act, frequency and form of contact among enterprisers, there is reasonable probability that the enterprisers have collaboratively committed the acts, they shall be presumed to have agreed on collaboratively committing any of the acts listed in Paragraph (1).

<Amended on August 3, 2007>

⑥ The Fair Trade Commission may establish and announce the criteria for examining improper concerted practices. <Newly established on August 3, 2007>

Article 19-2 (Measures for Preventing Improper concerted practices in Public Bids)

① The Fair Trade Commission may request submission of bidding related material and other forms of cooperation from the heads of the central administrative institution, local government institution, or other public institutions according to the Management of Public Institutions Act (referred to as “head of a public institution” hereinafter) in order to detect or prevent improper concerted practices related to bids let by the state, local government institutions, or other public institutions according to the Management of Public Institutions Act.

② The head of a public institution as decided by the Presidential Decree must submit the information on bidding to the Fair Trade Commission when the bidding notice has been served or the successful bidding price has been decided.

③ The scope of information and submission procedure on bidding under Paragraph (2) are decided by the Presidential Decree. [Newly established on August 3, 2007]

Article 20 Deleted <December 30, 1996>

Article 21 (Remedial Measures)

Where an enterpriser commits any act in violation of the provisions of Paragraph (1), Article 19, the Fair Trade Commission may order the enterpriser to discontinue the act, to announce the receipt of the remedial order, and to take other necessary remedial measures. <Amended on December 30, 1996, December 31, 2004>

Article 22 (Surcharge)

When any behavior violating the provision of Paragraph (1), Article 19 occurs, the Fair Trade Commission may impose on the relevant enterprisers a surcharge of not more than 10/100 of the sales turnover as prescribed by the Presidential Decree. Note, however, that in the absence of sales turnover, etc. a surcharge of not more than KRW2 billion may be imposed. <Amended on December 31, 2004>

[Fully amended on December 30, 1996]

Article 22-2 (Mitigations or Waiving of Remedial Measures or Surcharges for Whistle blowers, Etc.)

① For any of the following companies, the remedial measures under Article 21 (Remedial Measures) or surcharge under Article 22 (Surcharge) may be mitigated or waived: <Amended on January 16, 2001, December 31, 2004, August 3, 2007>

1. Companies that have reported improper concerted practices

2. Companies that have cooperated in the investigations by providing evidence, etc.

② The Fair Trade Commission or those working in the commission shall neither provide nor disclose the identity and reported information of the person who cooperated in the research or whistle blowers excluding the cases specified in the Presidential Decree, e.g., when necessary for lawsuits. <Newly established on August 3, 2007>

③ Matters required for the scope of companies subject to mitigation or waiving of remedial measures or surcharges under Paragraph (1) and standard for or extent, etc., of mitigation or waiving, prohibition on providing and disclosing information, and materials under Paragraph (2) shall be prescribed by the Presidential Decree.
<Amended on January 16, 2001, August 3, 2007>
[Newly established on December 30, 1996]

Chapter5 Prohibition on Unfair Trade Practices

Article23 (Prohibition on unfair trade practices)

① No enterpriser shall commit any of the following acts that are likely to impede fair trade (referred to as “unfair trade practices” hereinafter) or make an affiliated company or other enterprisers perform such acts: <Amended on December 30, 1996, February 5, 1999, April 13, 2007>

1. Act of unfairly rejecting any transaction or discriminating against a certain transacting partner
2. Act of unfairly excluding competitors
3. Act of unfairly inducing or coercing customers of competitors to deal with the enterpriser in question
4. Act of engaging in a trade with a transacting partner by unfairly taking advantage of its own position in the transaction
5. Act of trading under conditions that unfairly restrict the business activities of a transacting partner or disrupt the business activities of another enterpriser
6. Deleted <February 5, 1999>
7. Act of assisting a person with special interest or other companies by providing advanced payment, loans, manpower, real estate, stocks and bonds, goods and services, intangible assets and such, or by transacting under substantially favorable terms

8. Any act that threatens to impede fair trade other than those listed in Subparagraphs 1 to 7

② The categories or standards for unfair trade practices shall be prescribed by the Presidential Decree. *<Amended on December 30, 1996>*

③ If necessary for the prevention of acts that violate the provisions of Paragraph (1), the Fair Trade Commission may establish and announce the guidelines to be observed by enterprisers.

④ To prevent the unfair inducement of customers, enterprisers or enterprisers organizations may voluntarily write a code (referred to as “fair competition agreement” hereinafter) *<Amended on February 5, 1999>*

⑤ Enterprisers or enterprisers organizations may request the Fair Trade Commission to examine whether the fair competition agreement as referred to in Paragraph (4) violates the provisions of Subparagraph (3) or 6, Paragraph (1).

Article 24 (Remedial Measures)

When an act in violation of the provisions of Paragraph (1), Article 23 is committed, the Fair Trade Commission may order the enterpriser concerned to discontinue such unfair trade practices, to delete any pertinent provision from a contract, to announce the receipt of remedial order to the public, and to take other necessary remedial measures. *<Amended on December 30, 1996, February 5, 1999, December 31, 2004>*

Article 24-2 (Surcharge)

When an act in violation of the provisions of Paragraph (1), Article 23 is committed, the Fair Trade Commission may impose on the enterpriser concerned a surcharge of not more than 2/100 (5/100 in case the provisions of Subparagraph (7) are violated) of the sales turnover prescribed by the Presidential Decree. Note, however, that in the absence of sales turnover a surcharge of not more than KRW500 million may be

imposed. *<Amended on December 28, 1999, December 31, 2004>*
[Fully amended on December 30, 1996]

Chapter 6 Enterprisers Organization

Article 25 Deleted *<February 5, 1999>*

Article 26 (Prohibited Activities of enterprisers organization)

① No enterprise organization shall commit any of the following acts: *<Amended on December 30, 1996, February 5, 1999>*

1. Any act of unfairly concerted practice by means of acts falling under each Subparagraph, Paragraph (1), Article 19
2. Any act of restricting the present or future number of enterprisers in any business area
3. Any act of unreasonably restricting the business matters or activities of a member enterpriser (referring to an enterpriser that is a member of the enterprisers organization; the same shall apply hereinafter)
4. Any act of inducing or abetting an enterpriser to engage in unfair trade practices under each Subparagraph, Paragraph (1), Article 23 or to engage in practices of maintaining resale prices under Article 29
5. Deleted *<February 5, 1999>*

② When a case referred to in Subparagraph 1, Paragraph (1) occurs, Paragraph (1) shall apply mutatis mutandis to the provisions of Paragraph (2) or/and 3, Article 19. In this case, the term “enterpriser” shall be taken to mean “enterprisers organization.” *<Amended on December 30, 1996, August 3, 2007>*

③ If needed to prevent any act violating the provisions of Paragraph (1), the Fair Trade Commission may establish and announce any and all guidelines to be observed by the enterprisers organization.

④ If guidelines for Paragraph (3) are to be established, the Fair Trade Commission shall consider opinions from the heads of the relevant administrative agencies.

Article 27 (Remedial Measures)

When an act violates the provisions of Article 26, the Fair Trade Commission may order the enterprisers organization concerned (including the member enterprisers concerned if necessary) to discontinue such act, to announce the receipt of remedial order to the public, and to take other necessary remedial measures. *<Amended on December 8, 1992, December 30, 1996, February 5, 1999, December 31, 2004>*
<This Article was amended by Act No. 7315 promulgated on December 31, 2004 pursuant to the declaration of unconstitutionality made on January 31, 2002.>

Article 28 (Surcharge)

① When a violation of provisions of any Subparagraph under Paragraph (1), Article 26 is committed, the Fair Trade Commission may impose on the enterprisers organization concerned a surcharge of not more than KRW500 million.

② The Fair Trade Commission may impose on an enterpriser participating in practices violating provisions of any Subparagraph under Paragraph (1), Article 26 a surcharge of not more than 5/100 of the sales turnover as prescribed by the Presidential Decree. Note, however, that in the absence of sales turnover a surcharge of not more than KRW500 million may be imposed. [Fully amended on December 30, 1996]

Chapter 7 Restrictions on Resale Price Maintenance

Article 29 (Restrictions on Resale Price Maintenance)

① No enterpriser shall engage in resale price maintenance. Note, however, that this provision shall not apply to cases wherein there are justifiable reasons in terms of the

maximum price maintenance preventing the transactions of goods or services at above specified prices. <Amended on January 16, 2001>

② The provisions of Paragraph (1) shall not apply to literary works prescribed by the Presidential Decree or to goods meeting the following conditions that have received designation in advance from the Fair Trade Commission as being eligible for resale price maintenance:

1. The uniformity in quality of the good concerned is easily identifiable.
2. The good concerned is used daily by ordinary customers.
3. Free competition exists with respect to the commodity concerned.

③ Any enterpriser wishing to be designated as per Paragraph (2) shall submit a request to the Fair Trade Commission under the conditions prescribed by the Presidential Decree.

④ Whenever a good is designated as eligible for resale price maintenance under Paragraph (2), the Fair Trade Commission shall make such fact public.

Article 30 (Modification of Resale Price Maintenance)

If an enterpriser producing or selling a commodity designated and made public by the Fair Trade Commission under Paragraph (4), Article 29 concludes a contract made to determine and maintain the resale price of such commodity, and the contract threatens to substantially the interest of consumers, the Fair Trade Commission may order the modification of such contract. <Amended on August 3, 2007>

[Fully amended on February 5, 1999]

Article 31 (Remedial Measures)

When an act violates the provisions of Paragraph (1), Article 29 the Fair Trade Commission may order the enterpriser concerned to discontinue such act, announce the receipt of remedial order to the public, or take other necessary remedial measures against such act. <Amended on December 30, 1996, December 31, 2004>

Article 31-2 (Surcharge)

For resale price maintenance in violation of Article 29, the Fair Trade Commission may impose on the enterpriser concerned a surcharge of not more than 2/100 of the sales turnover as prescribed by the Presidential Decree. Note, however, that in the absence of sales turnover a surcharge of not more than KRW500 million may be imposed. *[Fully amended on December 30, 1996]*

Chapter 8 Restrictions of the Conclusion of International Contracts

Article 32 (Restrictions on the Conclusion of Unfair International Contracts)

① No enterpriser or enterprisers organization shall enter into an international agreement or an international contract as prescribed by the Presidential Decree (referred to as “international contract” hereinafter) if such agreement or contract contains provisions concerning improper concerted practices, unfair trade practices, or resale price maintenance. Note, however, that when the Fair Trade Commission deems the said agreement has negligible effect on competition in a particular business area or that the circumstances for the said agreement are unavoidable this provision shall not apply. *<Amended on December 22, 1994>*

② The Fair Trade Commission may determine and publicly announce the types and criteria regarding improper concerted practices, unfair trade practices, and resale price maintenance as referred to in Paragraph (1). *<Amended on December 8, 1992>*

Article 33 (Request for the Review of International Contracts)

When entering into an international contract, the enterpriser or enterprisers organization may request that the Fair Trade Commission determine whether the contract violates any of the provisions of Paragraph (1), Article 32 in accordance with the procedure set forth by the Presidential Decree. *<Amended on December 30, 1996>*

[Fully amended on December 22, 1994]

Article 34 (Remedial Measures)

When an international contract violates or is likely to violate the provisions of Paragraph (1), Article 32, the Fair Trade Commission may order the enterpriser or the enterprisers organization concerned to cancel the contract, amend or revise the contract, or take other necessary remedial measures. *<Amended on December 22, 1994, December 30, 1996>*

Article 34-2 (Surcharge)

In the case of an international contract made in violation of Paragraph (1), Article 32, the Fair Trade Commission may impose surcharges of not more than KRW500 million on the relevant enterprisers organization and surcharges of not more than 2/100 of sales turnover determined by the Presidential Decree on the enterpriser concerned. Note, however, that in the absence of sales turnover surcharges of not more than KRW500 million may be imposed.

[Fully amended on December 30, 1996]

Chapter 9 Enforcement Agency

Article 35 (Establishment of the Fair Trade Commission)

- ① The Fair Trade Commission shall be established under the jurisdiction of the Prime Minister for the purpose of independently promoting the objectives of this Act.
- ② The Fair Trade Commission shall carry out its function as one of the central administrative organizations pursuant to Article 2 (Establishment and Structures of Central Administrative Organizations) of the Government Organization Act.

<Amended on August 3, 2007>

[Fully amended on December 30, 1996]

Article 36 (Matters Under the Jurisdiction of the Fair Trade Commission)

The following tasks shall be placed under the jurisdiction of the Fair Trade Commission:

1. Matters related to regulating the abuse of Market Dominance
2. Matters related to restricting the combination of enterprises and preventing the concentration of economic power
3. Matters related to regulating improper concerted practices and anti-competitive behavior of enterprises organizations
4. Matters related to regulating unfair trade practices and resale price maintenance
5. Matters related to preventing the conclusion of improper international contracts
6. Matters related to competition encouragement policies such as the consultation and adjustment of acts restricting competition and the administrative measures against such acts
7. Matters prescribed by other Acts to be under the jurisdiction of the Fair Trade Commission

Article 36-2 (International Cooperation of the Fair Trade Commission)

- ① The government may sign an agreement for the enforcement of this Act with foreign governments, provided the laws and interests of the Republic of Korea are not countered.
- ② The Fair Trade Commission may support law enforcement by a foreign government, pursuant to the agreement signed as per the provision of Paragraph (1).
- ③ The Fair Trade Commission may support a foreign government in a request for law enforcement activities even when an agreement as per the provision of Paragraph (1) has not been signed, on condition of a guarantee from the requesting country that it shall provide support on the same or a similar matter upon request by the Korean Government.

[Newly established on December 31, 2004]

Article 37 (Composition of Fair Trade Commission and Related Matters)

① The Fair Trade Commission shall consist of nine commissioners including a chairman, a vice chairman, and four commissioners who shall serve as non-standing members of the Fair Trade Commission. <Amended on December 30, 1996>

② The standing and non-standing commissioners of the Fair Trade Commission (referred to as “commissioners” hereinafter) shall be appointed from among those persons with experience or specialized knowledge in monopoly regulation and fair trade or consumer studies and who meet any of the following qualifications. The President shall appoint the chairman and vice chairman at the recommendation of the Prime Minister, and the President shall appoint the other commissioners at the recommendation of the chairman. <Amended on December 23, 1994, December 29, 2005, August 3, 2007>

1. Persons who have served as Grade II or above public officials (including general public officials belonging to the Senior Executive Service)

2. Persons who have served as judges, prosecutors, or attorneys for at least fifteen years

3. Persons having majored in law, economics, or business administration with at least 15 years of working experience at universities or certified research institutes, who have served as associate professors or above, or some equivalent position

4. Persons with at least 15 years of working experience as business managers or in consumer protection activities

③ The chairman and vice chairman shall be considered political appointees; other standing commissioners shall be considered privileged government officials belonging to the Senior Executive Service/Grade I public officials. <Amended on December 29, 2005>

④ Notwithstanding the provisions of Article 10(Executive Representative) of the Government Organization Act, the chairman, vice chairman, and chief officer of the Secretariat as per Article 47 (Establishment of a Secretariat) shall serve as executive

representatives. <Newly established on December 30, 1996, February 28, 1998, August 3, 2007>

Article 37-2 (Types of Meetings)

Meetings of the Fair Trade Commission shall be categorized into meetings consisting of all members (referred to as "Plenary Session" hereinafter) and meetings consisting of three members including a standing commissioner (referred to as "Subcommittee" hereinafter). [Newly established on December 30, 1996]

Article 37-3 (Subjects of Plenary Session and Subcommittee)

① The Plenary Session shall deliberate on and resolve the following matters:
<Amended on January 16, 2001>

1. Matters related to the interpretation and application of Acts, subordinate statutes, public notices, and such under the jurisdiction of the Fair Trade Commission
2. Appeals as per Article 53 (Appeals)
3. Matters not resolved by a Subcommittee or those that have been referred by a Subcommittee to the Plenary Session for resolution
4. Establishment or amendment of regulations or public notices
5. Matters of substantial economic impact and those deemed to require the Plenary Session's own settlement

② A Subcommittee may deliberate on or resolve matters in addition to those falling within the Subparagraph of Paragraph (1).

[Newly established on December 30, 1996]

Article 38 (Chairman)

- ① The chairman shall represent the Fair Trade Commission.
- ② The chairman may attend the Cabinet council and take the floor.
- ③ If the chairman is unable to perform his/her duties due to some unforeseen events,

the vice chairman shall act on behalf of the chairman. If both the chairman and the vice chairman are unable to perform their duties due to some unforeseen events, the standing commissioners shall act on their behalf according to seniority of appointment. *<Amended on February 5, 1999>*

Article 39 (Term of Office of the Commissioner)

The terms of office of the chairman, vice chairman, and commissioners of the Fair Trade Commission shall be three years, and consecutive terms may be served only once. *<Amended on January 16, 2001>*

Article 40 (Guarantee of the Commissioner's Status)

No commissioner shall be removed from office against his/her will except under the following cases:

1. In case of sentences to imprisonment without forced labor or stricter punishment.
2. In case of incapacity to perform duties due to prolonged physical or mental illness.

Article 41 (Prohibition on the Commissioner's Political Activities)

No commissioner may join a political party or participate in any political activity.

Article 42 (Quorum for Session Proceedings and Resolutions)

① The proceedings of the Plenary Session shall be presided over by the chairman and resolutions shall be based on majority vote of the current members. *<Amended on February 5, 1999>*

② The proceedings of a Subcommittee shall be presided over by a standing member and resolutions shall be made in the presence of all constituting members, based on a unanimous vote of the members present.

[Fully amended on December 30, 1996]

Article 43 (Disclosure of Trial and Resolutions and Confidentiality of Agreement)

① All trials and resolutions made by the Fair Trade Commission shall be disclosed.

Note, however, that when protection of trade secrets of an enterpriser or enterprisiers organization is deemed necessary this provision shall not apply.

② On principle, the Fair Trade Commission shall conduct oral hearings but written hearings may be conducted if necessary. <Newly established on August 3, 2007>

③ The Fair Trade Commission's agreement on the resolution of a case shall not be disclosed. <Amended on August 3, 2007>

[Fully amended on February 5, 1999]

Article 43-2 (Maintenance of Good Order in the KFTC court of Adjudicatory Proceedings)

The person chairing the Plenary Session or a Subcommittee may give the necessary orders to maintain good order in the adjudicatory proceedings with respect to the parties, those with an interest in the outcomes of the proceedings, reference witnesses, and those in attendance.

[Newly established on December 30, 1996]

Article 44 (Exclusion, Challenge, and Abstention of Members)

① Any member may be exclude from the deliberation or resolution of any of the following cases. <Amended on December 31, 2004>

1. Cases wherein the member him/herself or his/her spouse or former spouse is one of the involved parties, jointly rightful persons, or joint obligators

2. Cases wherein the member has a familial relationship with any of the parties, or either the member him/herself or the corporate body with which the member is associated is providing legal, managerial, or other advisory and consultation services to any of the parties

3. Cases wherein the member him/herself or the corporate body with which the

member is associated has testified or authenticated

4. Cases wherein the member or the corporate body with which the member is associated participates or participated as an agent for any of the parties

5. Cases wherein the member or the corporate body with which the member is associated has been involved in the act or nonfeasance that is the subject matter

6. Cases wherein the member has investigated or reviewed as an official of the Fair Trade Commission

② If it is highly doubtful to expect fairness in deliberation or resolution from any of the members, any of the parties involved may apply for challenge of the members. The chairman shall evaluate such application for peremptory challenge without the passing of any resolutions by the Commission.

③ A member may voluntarily abdicate oneself from the deliberation and resolution of cases if there are conflicts of interest for reasons of any Subparagraph under Paragraph (1) or of Paragraph (2).

[Fully amended on December 30, 1996]

Article 45 (Drafting and Correction of the Written Resolution)

① Any and all resolutions by the Fair Trade Commission on matters in violation of the provisions of this Act shall be made in a written resolution with the reasons specified. The written resolution shall be signed and sealed by the commissioners who have participated in the resolution. *<Amended on February 5, 1999>*

② When written resolutions and such clearly contain errata, miscalculations, or other similar errors, the Fair Trade Commission may correct such errors by request or by its own official authority. *<Newly established on August 3, 2007>*

Article 46 Deleted *<August 3, 2007>*

Article 47 (Establishment of the Secretariat)

A secretariat shall be established in the Fair Trade Commission to carry out the affairs of the Fair Trade Commission.

Article 48 (Provisions on Organization)

① Matters deemed necessary for the organization of the Fair Trade Commission but not provided for in this Act shall be prescribed by the Presidential Decree.

② Matters deemed necessary for the operation of the Fair Trade Commission but not provided for in this Act shall be prescribed by the Rules of the Fair Trade Commission. <Newly established on December 30, 1996>

Chapter 9-2 Establishment of and Conflict Mediation by the Korea Fair Trade Mediation Committee

Article 48-2 (Establishment of the Korea Fair Trade Mediation Agency)

① The Korea Fair Trade Mediation Agency (referred to as "Mediation Agency" hereinafter) shall be established to carry out the following responsibilities.

1. Mediation of conflict related to acts in violation of Paragraph (1), Article 23
2. Mediation of conflict between franchises under the Fair Trade Practices Law for Franchise Business
3. Analysis on the trading practices of markets and industries, and research and analysis of enterpriserial trade practices and conduct
4. Other businesses entrusted by the Fair Trade Commission

② The Mediation Agency shall be a juristic person.

③ The head of the Mediation Agency shall be appointed from among persons falling under any item of Paragraph (2), Article 37 by the chairman of the Fair Trade Commission.

④ Within the range of its budget, the government may contribute to or subsidize the expenses required for the establishment and management of the Mediation Agency.

⑤ Matters other than those specified in this act shall be governed by the Civil Code regulations on foundations with the necessary modifications.

[Newly established on August 3, 2007]

Article 48-3 (Establishment and Organization of the Fair Trade Dispute Mediation Council)

① A Fair Trade Dispute Mediation Council (referred to as "Council" hereinafter) shall be established within the Mediation Agency to mediate conflicts related to acts charged with violation of Paragraph (1), Article 23.

② The Council shall consist of no more than 7 council members including one head council member.

③ The head of the Mediation Agency shall serve as the head of the Council.

④ The chairman of the Fair Trade Commission shall appoint or commission persons as Council members upon the recommendation of the head of the Mediation Agency from among persons meeting any of the following Subparagraphs, whom have experience or specialized knowledge in the field of monopoly regulation and fair trade or consumer activities. In this case, more than one person meeting any of the following Subparagraphs must be included.

1. Persons having served in public office positions that meet the requirements prescribed by the Presidential Decree

2. Persons having served as judges, prosecutors, or attorneys for longer than the period specified by the Presidential Decree

3. Persons, whom have majored in law, economics, or business administration and worked at universities or certified research institutes for longer than the period specified by the Presidential Decree, having served in an associate professor position or above or some equivalent

4. Persons with working experience in business management or consumer protection activities for longer than the period specified by the Presidential Decree

⑤ The term of office of council members shall be three years, and serving for a consecutive term is allowed.

⑥ When a vacancy among council members occurs, a person must be commissioned to fill the vacancy based on Paragraph (4) and the term of office of the person commissioned to fill the vacancy shall be the remaining term of the predecessor.

[Newly established on August 3, 2007]

Article 48-4 (Meetings of the Council)

① The head of the Council shall convene and preside over any meetings of the Council.

② The Council shall begin deliberation when a majority of current council members are present and uphold decisions based on the majority vote of council members present.

③ If the head of the Council is unable to perform duties due to some unforeseen event a council member designated by the chairman of the Fair Trade Commission shall carry out the duties on behalf.

④ Enterprisers that are parties to a conflict that has become the subject of mediation (referred to as "parties to the conflict" hereinafter) may appear before the Council and make statements. *[Newly established on August 3, 2007]*

Article 48-5 (Exclusion, Challenge, and Abstention of Council Members)

① A council member is excluded from the mediation of the relevant conflict mediation matter under any of the following cases.

1. Cases wherein the council member, his/her spouse, or ex-spouse is one of the parties to the conflict, jointly rightful persons, or joint obligators in the relevant conflict mediation matter

2. Cases wherein the council member has or had familial relation to any of the parties to the conflict in the relevant conflict mediation matter

3. Cases wherein the council member or the company with which the council member is associated acts as legal or managerial adviser or consultant for any of the parties to the conflict

4. Cases wherein the council member or company with which the council member is associated is involved or was involved as an agent, testified, or authenticated in the relevant conflict mediation matter

② The parties to the conflict may apply for challenge of any council member when securing fairness of mediation from the relevant council member is deemed difficult.

③ Council members falling under Paragraph (1) or 2 may voluntarily abdicate oneself from mediation of the relevant conflict mediation matter. [Newly established on August 3, 2007]

Article 48-6 (Applying for Mediation)

① An enterpriser sustaining damages as a result of an act charged with violation of Paragraph (1), Article 23 may apply for mediation of conflict by submitting a written document specifying matters prescribed by the Presidential Decree (referred to as "application for conflict mediation" hereinafter) to the Fair Trade Commission or the Council. Note, however, that this provision shall not apply under any of the following cases.

1. Acts that would more appropriately be settled by Article 24(remedial measures) or 51 (Recommendation for the Correction of Violation) upon taking into account the content, characteristics, and extent of the charged violation, of which fall under the criteria prescribed by the Presidential Decree

2. Cases already under investigation as per Article 49 by the Fair Trade Commission prior to an application for conflict mediation

② Upon receiving an application for conflict mediation as per Paragraph (1), the Fair Trade Commission shall examine whether any of the acts or cases in each Subparagraph of Paragraph (1) applies, attach examination results to the application

for conflict mediation, and notify the Council within the period prescribed by the Presidential Decree.

③ Upon receiving an application for conflict mediation as per Paragraphs 1 or 2, the Council must immediately notify receipt of application in accordance with the Presidential Decree to the Fair Trade Commission or to parties to the conflict.
[Newly established on August 3, 2007]

Article 48-7 (Mediation)

① The Council may either advise the parties to the conflict to reach an agreement amongst themselves or prepare and present a mediation plan.

② If deemed necessary to verify the facts of the relevant conflict mediation matter, the Council may request the parties to the conflict to submit relevant materials or make physical appearance.

③ The Council must reject an application for conflict mediation if the relevant case or act falls under any item of Paragraph (1), Article 48-6. The same shall apply to conflicts notified by the Fair Trade Commission as falling under cases or acts described in any Subparagraph of Paragraph (1), Article 48-6.

④ The Council must stop the mediation procedure under any of the following cases.

1. Mediation has been realized as the parties to the conflict accept the mediation plan or advice of the Council and carry out the mediation themselves
2. Mediation is not realized even after 60 days following the notification of an application for conflict mediation from the Fair Trade Commission
3. There is no practical benefit to conflict mediation as one of the parties to the conflict refuses mediation or files a lawsuit in court regarding the mediation of conflict.

⑤ When stopping mediation or rejecting an application for conflict mediation, the Council must submit a written report without delay to the Fair Trade Commission on the details of mediation, reason for rejecting the application for conflict mediation or

stopping the mediation process as required by the Presidential Decree along with the relevant documents and notify these matters to the parties to the conflict.

⑥ The Fair Trade Commission may not recommend corrections as per Paragraph (1), Article 51 and remedial measures as per Article 24 to the parties to the conflict until the mediation process of the relevant conflict mediation matter has ended. *[Newly established on August 3, 2007]*

Article 48-8 (Writing of Mediation Protocol and its Validity)

① The Council shall write a mediation protocol signed and sealed by the participating council members and parties to the conflict when mediation has been realized. In this case, an agreement identical in content as the mediation protocol shall be deemed to have been reached.

② The Council may write a mediation protocol in case the parties to the conflict mediate the conflict amongst themselves and request a mediation protocol prior to the mediation procedure.

③ The parties to the conflict must perform the matters agreed upon in the mediation and submit the result of performance to the Fair Trade Commission.

④ Once an agreement is reached based on Paragraph (1) and is enforced, the Fair Trade Commission shall not recommend correction according to Paragraph (1), Article 51 and remedial measures as per Article 24. *[Newly established on August 3, 2007]*

Article 48-9 (Organization and Management of the Committee)

The necessary matters related to the organization, management, and mediation procedure of the Council in addition to those regulated in Articles 48-3 to 48-8 shall be prescribed by the Presidential Decree.

[Newly established on August 3, 2007]

Chapter 10 Investigation Procedures

Article 49 (Identification and Reporting, Etc., of Violations)

- ① When the Fair Trade Commission deems a violation of the provisions of this Act has been committed, the Fair Trade Commission may conduct the necessary investigation by its direct authority. *<Amended on January 16, 2001>*
- ② Any person that deems a violation of the provisions of this Act has been committed may report the occurrence of such violation to the Fair Trade Commission.
- ③ For investigations under Paragraph (1) or 2, the Fair Trade Commission shall notify the parties concerned via written documents (specifying all decisions, if any, such as orders for remedial measures needed as a result of investigations). *<Newly established on December 30, 1996>*
- ④ If five years has passed since a violation of the provisions of this Act was committed, the Fair Trade Commission shall not issue orders for remedial measures or impose surcharges as prescribed by this Act against such violation. Note, however, that this provision shall not apply in case a remedial measure or the imposition of surcharge had been canceled by judgment of court and new measures have been adopted based on the relevant reasons for judgment. *<Newly established on December 22, 1994, December 30, 1996, January 16, 2001>*

Article 50 (Investigation, Etc., of Violations *<Amended on January 16, 2001>*)

- ① The Fair Trade Commission may take the following measures in accordance with the procedures set forth by the Presidential Decree when necessary to enforce this Act.
1. Summoning and hearings of the parties concerned, interested persons, or reference witnesses
 2. Designation of expert witnesses and request for expert opinions
 3. Ordering of enterprisers, enterprisers organizations, their officers, or employees to report on the business management conditions, submit other necessary information or

items; custody of submitted information or items.

② In order to enforce this Act, the Fair Trade Commission may have a public official under its control (including those under the control of an agency as commissioned under Article 65) enter the office or place of business of an enterpriser or enterprisers organization to examine the business management conditions, ledgers, documents, electronic materials, voice-recorded materials, video materials, and other materials or items prescribed by the Presidential Decree as well as obtain statements from the parties concerned, interested persons, and reference witnesses at a designated place according to guidelines prescribed by the Presidential Decree. *<Amended on December 30, 1996, February 5, 1999, January 16, 2001>*

③ Any public official conducting an examination as per Paragraph (2) may order submission of necessary information or items to an enterpriser, enterprisers organization, officers, or employees or have the custody of the submitted information or items in accordance with the procedures set forth by the Presidential Decree.

④ Any public official conducting an investigation as per Paragraph (2) shall show to the relevant persons a certificate proving the authorization of such investigation.

⑤ Should confirming whether violations have been committed be impossible without relying on financial transaction information or data (referred to as "financial transaction information" hereinafter) in the process of investigating a person charged with evasion of Paragraph (1), Article 9 by violating Article 15 or a company subject to notification of internal trading that is charged with violation of Subparagraph (7), Paragraph (1), Article 23, the Fair Trade Commission may request the head of a branch of a financial institution to submit financial transaction information based on documents specifying each of the following items below once the meeting stipulated in Article 37-3 has voted on such measure, notwithstanding the provision of Article 4 of the Act on Real Name Financial Transactions and Guarantee of Secrecy. The head of the branch concerned may not decline such request. *<Newly established on December 31, 2004, April 13, 2007, August 3, 2007>*

1. Personal data of traders
 2. Transaction period for any requested information
 3. Legal basis for the request
 4. Purpose of use
 5. Financial transaction information requested (limited to financial transaction information related to acts to evade Article 9, or financial transaction information related to evasion of Article 9 and unfair assistance by persons charged with acts of unfair assistance and financial institutions with which such persons are associated)
 6. Personal data such as names and titles of managers and persons in charge in the requested organization
- ⑥ Requests for the submission of financial transaction information pursuant to the provision of Paragraph (5) shall be limited to the minimum required for purpose of investigation. <Newly established on December 31, 2004>
- ⑦ When providing financial transaction information to the Fair Trade Commission in accordance with the provision in Paragraph (5), the financial institution concerned shall serve a written notice to traders regarding the major contents of the submitted financial transaction information, its purpose of use, the recipient, and the date of provision within 10 days of submission. In this case, the cost of serving the notice shall be governed by the provisions in Paragraph (4), Article 4-2 of the Act on Real Name Financial Transactions and Guarantee of Secrecy with the necessary modifications. <Newly established on December 31, 2004, August 3, 2007>
- ⑧ The Fair Trade Commission shall record the fact of requesting financial transaction information in accordance with provisions of Paragraph (5) from financial institutions, and retain such record for three years starting from the date of such request. <Newly established on December 31, 2004>
- ⑨ In accordance with the provision of Paragraph (5), the person receiving the financial transaction information shall neither disclose nor reveal it to others nor use it for purposes other than its main purpose. <Newly established on December 31,

2004>

Article 50-2 (Prohibition on the Abuse of the Right to Investigate)

Investigative officials should conduct investigation within the minimum scope necessary to enforce the law without abusing the right to investigate for other purposes.

[Newly established on December 31, 2004]

Article 50-3 (Application for Delaying Investigation)

① In accordance with the provisions in Paragraphs 1 to 3, Article 50, an enterpriser or enterprisers organization subject to the investigation and any measure taken by the Fair Trade Commission deemed to face difficulties in performing orders or undergoing investigation due to reasons, such as natural disasters, specified by the Presidential Decree may ask the Fair Trade Commission to delay decisions or investigations in accordance with the Presidential Decree.

② When the Fair Trade Commission receives any application for delaying decisions or investigations as per the provision in Paragraph (1), decisions and investigations shall be delayed if the reasons are deemed to be appropriate upon review.

[Newly established on December 31, 2004]

Article 51 (Recommendation for the Correction of Violation)

① If a violation of the Act has been committed, the Fair Trade Commission may establish the standards for correction and recommend that the enterpriser or enterprisers organization concerned comply with those standards.

② Any person receiving such recommendation as per Paragraph (1) shall notify the Fair Trade Commission within ten days of receiving the notice of recommendation for correction as to whether the recommendation is accepted. *<Amended on December 30, 1996>*

③ If a person receiving a recommendation for correction as per Paragraph (1) accepts the recommendation, it shall be deemed that a remedial measure has been ordered under this Act. <Amended on December 30, 1996>

Article 52-2 (Consent Resolution)

① An enterpriser or enterpriser's organization under the Fair Trade Commission investigation or deliberation (hereinafter until Article 51-2 referred to as the "applicant") may call upon the Fair Trade Commission to trigger Consent Resolution process under Paragraph (3) so as to promote consumer damage redress, fair trade practices and voluntary resolution of competition restrictive status caused by conducts subject to the Fair Trade Commission investigation or deliberation (hereinafter until Article 51-5 referred to as the "applicable conducts"). But, the Fair Trade Commission shall not proceed with Consent Resolution and shall follow the hearing process pursuant to this Act if such applicable conducts fall under any of the followings:

1. The violations listed in Paragraph (1), Article 19 (Prohibition on Improper concerted practice)
2. The conditions in filing complaints under Paragraph (2), Article 71 (Filing of Complaint)
3. Cases in which the applicant in question cancels its request before Consent Resolution process is convened

② If the applicant submits an application according to Paragraph (1), it shall be in a written form containing the following:

1. Factual information identifying the applicable conduct
2. Remedial measures required to restore competition or promote fair trade practices such as an order to halt the applicable conduct, an action to recover to the full extent
3. Remedial measures required to prevent or recover damages suffered by customers, other enterprisers and so forth

③ After completing the factual investigation on the applicable conduct, the Fair Trade Commission may discontinue its hearing process on the conduct and make a resolution in line with the remedial measures presented (hereinafter referred to as the 'consent resolution") if those remedial measures under Paragraphs 2 and 3 of Article 2 (hereinafter referred to as "remedial measures") are deemed to meet all of the following circumstances. In this case the remedial measures may be subject to change according to the consultation with the applicant.

1. When the remedial measures are reasonable compared to other sanctions including possible remedial measures expected if the applicable conduct is confirmed to be a violation

2. When the remedial measures are deemed to be appropriate to restore fair and free competition or trade practices or to protect other enterprisers and so forth

④ The application of the Fair Trade Commission consent resolution system shall not mean that the applicable conduct is recognized to be a violation of this Act. And the fact that the applicant underwent the consent resolution processes shall not support anyone who cites it to claim the applicable conduct in question violates the Act.

[Newly established on December 2, 2011]

Article 51-3 (Process of Consent Resolution)

① The Fair Trade Commission shall decide whether to trigger Consent Resolution process by considering the necessity for rapid action, necessity for direct compensation for consumer damage and other aspects in general.

② The Fair Trade Commission shall guarantee the applicant and other stakeholders an opportunity to present their opinions by notifying, at least 30 days prior to its Consent Resolution, or publicize in its official gazette or at its webpage or otherwise make public the following:

1. The summary of the applicable conduct
2. Applicable laws and regulations

3 .Remedial measures [refers to changed remedial measures if initial remedial measures were modified pursuant to the letter part of Paragraph (3) of Article 51-2 (Consent Resolution)]

4. Any other information regarding the applicable conducts that helps the applicant and other stakeholders' understanding. But trade secrets, privacy-related information or other intelligence inappropriate to disclose for the public interest shall be excluded.

③ The Fair Trade Commission shall inform every Subparagraph listed in Paragraph 2 to heads of relevant administrative organizations and listen to their feedback and shall consult with the Public Prosecutor General.

④ The Fair Trade Commission shall convene hearing and deliberation to make or cancel Consent Resolution under Article 37-3 (Subjects of Plenary Session and Subcommittee).

⑤ The applicant who completed the Consent Resolution process shall submit its Consent Resolution implementation plan and its result to the Fair Trade Commission.

⑥ The Fair Trade Commission may plan for and publicize other details such as a process to submit a written application prepared pursuant to Paragraph (2) of Article 51-2 (Consent Resolution), an opinion presentation process, deliberation and resolution processes and so forth. [Newly established on December 2, 2011]

Article 51-4 (Revocation of Consent Resolution)

① The Fair Trade Commission may revoke its Consent Resolution in any of the following circumstances:

1. When the market situation on which the Consent Resolution was based or other factual matters changed significantly and turned the initially presented remedial measures inappropriate

2. When the applicant is found to have received Consent Resolution thanks to flawed or inaccurate information, or in a false or other unfair manners

3. If the applicant fails to implement Consent Resolution without any just reason

② If Consent Resolution is canceled under Subparagraph (1) of Paragraph (1), the

applicant may apply for Consent Resolution under Paragraph (1) of Article 51-2 to trigger Fair Trade Commission Consent Resolution process again. In this case, Article 51-2 through 5 shall be applied.

③ If Consent Resolution is canceled under Subparagraph (2) or 3 of Paragraph (1), the Fair Trade Commission may resume the deliberation process on the applicable conduct which was suspended previously according to Paragraph (3) of Article 51-2. *[Newly established on December 2, 2011]*

Article 51-5 (Compulsory Performance Money, Etc.)

① The Fair Trade Commission may impose compulsory performance money of KRW 2 million or lower per day on the subject of the enforcement action who failed to carry out Consent Resolution within a considerable period of time without any just reason before Consent Resolution is implemented or canceled.

② Paragraphs 2 and 3 of Article 17-3 (Compulsory Performance Money) shall be applied to the imposition, payment, collection, refund, etc. of compulsory performance moneys. *[Newly established on December 2, 2011]*

Article 52 (Opportunity to State Opinion)

① Before issuing remedial measures or imposing surcharges in response to violations of this Act, the Fair Trade Commission shall give the parties concerned and interested persons the opportunity to state their opinions.

② The parties concerned and interested persons may make an appearance at a meeting of the Fair Trade Commission and state their opinions or present necessary materials.

Article 52-2 (Request for Access to Data)

Any party or interested person may request the Fair Trade Commission for access to or replication of data related to decisions made under this Act. If there is consent by

the provider of such data or if deemed necessary for public interest, the Fair Trade Commission shall comply with such request.

[Newly established on February 5, 1999]

Article 53 (Filing an Appeal)

① Any party dissatisfied with a decision made by the Fair Trade Commission pursuant to this Act may file an appeal within 30 days of receipt to the Fair Trade Commission, stating the reasons for appeal. *<Amended on February 5, 1999>*

② The Fair Trade Commission shall make a decision with respect to an appeal as per Paragraph (1) within sixty days of appeal. If making a decision within such period is impossible for unavoidable reasons, such period may be extended by not more than thirty days.

<Newly established on December 30, 1996, February 5, 1999>

Article 53-2 (Suspension of Enforcement of Orders for Remedial Measures)

① In case an appeal as per Article 53 (Appeal) (1) has been made by a person who has been ordered to take remedial measures under this Act, or if deemed necessary by the Fair Trade Commission to prevent irrecoverable damage or harm caused by the enforcement of such orders or continuance of procedures, the Fair Trade Commission may suspend the enforcement of such orders or continuance of procedures by its own authority or at the request of one of the parties concerned (hereinafter referred to as "suspension of enforcement").

② The Fair Trade Commission may revoke a suspension of enforcement at the request of one of the parties or by its own authority if the grounds for the suspension of enforcement no longer exist after a decision for suspension of enforcement was made. *<Amended on February 5, 1999>*

[Newly established on December 30, 1996]

Article 53-3 (Serving of Document)

- ① The serving of document shall be governed by Articles 14 to 16 of the Administrative Procedure Act with the necessary modifications. *<Amended on August 3, 2007>*
- ② Notwithstanding the provision of Paragraph (1), an enterpriser or a enterprisers organization maintaining an overseas address, sales office, or office (hereinafter referred to as "address") shall designate a domestic representative to whom the document shall be served. *<Amended on August 3, 2007>*
- ③ Paragraph (1) shall apply to an enterpriser or an enterprisers organization that needs to designate a domestic representative according to Paragraph (2) but does not designate a domestic representative. *<Newly established on August 3, 2007>*
[Newly established on December 31, 2004]

Article 54 (Filing of Lawsuit)

- ① Any person wishing to file a lawsuit in response to any decisions made by the Fair Trade Commission under this Act may do so within thirty days of the date of receipt of a notice of the decision in question or receipt of a written verdict of the Fair Trade Commission against the appeal. *<Amended on December 30, 1996, February 5, 1999, January 16, 2001>*
- ② The period referred to in Paragraph (1) shall be a peremptory term.

Article 55 (Exclusive Jurisdiction over Lawsuits for Appeal)

The Seoul Appellate Court having jurisdiction over the seat of the Fair Trade Commission shall have exclusive jurisdiction over any and all appellate cases filed pursuant to Article 54 (Filing of Lawsuit). *<Amended on December 30, 1996>*

Article 55-2 (Procedures for Dealing with Cases)

Matters related to the procedures for dealing with cases in violation of this Act shall be set and announced by the Fair Trade Commission.

[Newly established on December 30, 1996]

Chapter 10-2 Imposition and Collection of Surcharges

Article 55-3 (Imposition of Surcharges)

① In imposing surcharges under this Act, the Fair Trade Commission shall take into account each of the following.

1. Nature and extent of the unlawful practice
2. Duration and frequency of the unlawful practice
3. Amount of benefit accrued from the unlawful practice

② If a company in violation of this Act merges with another company, the existing company after merger or the company established through the said merger is seen to have committed the violation and surcharges may be imposed.

③ The standards for the imposition of surcharges in Paragraph (1) shall be prescribed by the Presidential Decree. <Amended on February 5, 1999>

[Newly established on December 30, 1996]

Article 55-4 (Extension of Period of Surcharge Payment and Payment in Installments)

① The Fair Trade Commission may extend the period of surcharge payment or allow the surcharge to be paid in installments for a person imposed with a surcharge for any of the following reasons in an amount exceeding the standard set by the Presidential Decree (hereinafter referred to as "surcharge payment obligator") when he/she is deemed to have difficulty paying the surcharge in lump sum. In such case, collateral may be requested if necessary.

1. Substantial damage has been inflicted on properties due to some kind of disaster
2. Business is at considerable risk because of unfavorable business conditions
3. Lump sum payment of the surcharge is likely to cause considerable financial difficulties
4. Other grounds equivalent to Items 1 to 3

② When applying for the extension of the period of surcharge payment or for

payment in installments, a surcharge payment obligator shall apply with the Fair Trade Commission within 30 days of the date of receiving a notice of surcharge payment. *<Amended on January 26, 2002>*

③ If a surcharge payment obligator whose period of surcharge payment has been extended or who is permitted to pay the surcharge in installments violates any of the following items, the Fair Trade Commission may revoke its decision to extend the period of surcharge payment or accept payment in installments and collect such surcharge in lump sum.

1. Installments of a surcharge are overdue.
2. Orders by the Fair Trade Commission regarding the modification or preservation of collateral are not observed.
3. It is deemed impossible to collect the full amount or the remaining amount of surcharge through measures such as enforcement, commencement of an auction, declaration of insolvency, dissolution of a corporation, or due to disposition for failure in tax payments.

④ In relation to the extension of the period for surcharge payment or payment in installments pursuant to Paragraph (1) to 3, the relevant policies shall be established by the Presidential Decree. *<Amended on February 5, 1999>*
[Newly established on December 30, 1996]

Article 55-5 (Obligation of Joint Payment of Surcharge)

① When a company obligated to pay the surcharge is split up or merged by a corporate split-up (including cases of split-up or merger by corporate split-up after the date of imposition), the following companies are obligated to jointly pay the surcharge.

1. Company being split up
2. Company established through split-up or merger by corporate split-up
3. The other company, if it is the subsisting company, when part of the split-up

company is merged with the said other company

② When the enterpriser that is the company faced with surcharge is dissolved through a split-up or merged by a corporate split-up (including dissolution on the date of imposition), the following companies are obligated to jointly pay the surcharge.

1. Company established through split-up or merged by a corporate split-up
2. The other company, if it is the subsisting company, when part of the split-up company is merged with the said other company

[Newly established on December 31, 2004]

Article 55-6 (Collection of Surcharge and Surcharge in Arrears)

① The Fair Trade Commission may collect additional or extra surcharge equal to the amount derived by applying the interest rate, which takes into account the interest rates on overdue payments set by banks, set and announced by the Fair Trade Commission as per the provision of Article 2 of the Banking Act but not exceeding 40/100 per year based on the number of days from the day after the expiration of the period for surcharge payment including the date of payment, except when the person subject to surcharge payment pays the sum of the surcharge within the period of payment. *<Amended on February 5, 1999, December 31, 2004, August 3, 2007>*

② Unless a person subject to the surcharge payment pays the sum of surcharge within the period of payment, the Fair Trade Commission may serve a notice specifying the period of payment and collect surcharges similar to national taxes in arrears except when original and additional surcharges as per Paragraph (1) are paid within the period of payment.

③ The Fair Trade Commission may delegate to the Commissioner of the National Tax Office its functions related to surcharges, collection of additional surcharges, and procedures for overdue surcharge payment as per Paragraphs 1 or/and 2.

④ The Fair Trade Commission may request the Commissioner of the National Tax Office to furnish information on the imposition of national taxes on persons who

failed to pay the surcharges as deemed necessary for the collection of the deferred surcharges. *<Newly established on January 16, 2001>*

⑤ The public officials in charge of the affairs of surcharges may request the heads of registry offices and other relevant administrative agencies to allow them access to the required documents or to deliver their transcripts or abstracts without compensation as necessary for the collection of surcharges. *<Newly established on January 16, 2001>*

⑥ All relevant matters concerning the collection of surcharges shall be prescribed by the Presidential Decree.

[Moved from Article 55-5; Article 55-6 moved to Article 55-7 <December 31, 2004>]

Article 55-7 (Additional Payment for the Refund of Surcharge)

When issuing a refund of surcharge following the adjudication of appeal or ruling of the court, the Fair Trade Commission shall make an additional payment of refund for the period from the date of paying the surcharge to the date of refund under the conditions prescribed by the Presidential Decree. *[Newly established on January 16, 2001]*

[Moved from Article 55-6 <December 31, 2004>]

Article 55-8 (Disposition on Deficits)

① The Fair Trade Commission may dispose of deficits for the payer of the collected surcharge, fine of negligence, and other penalties under this Act (hereinafter referred to as "collection amount") under any of the following cases.

1. The delinquency disposition has been completed, and the distributed amount does not meet the amount in arrears.
2. The right to collect the collection amount has been terminated.
3. The whereabouts of the defaulter are not clear, or the defaulter is confirmed to have no assets or property.

4. The estimated total assets subject to delinquent surcharge payment is able to cover the amount of delinquent surcharges but there would be no remainder.

5. The estimated total assets subject to delinquent surcharge payment is, according to priority, distributed for payment of debt based on mortgage or national tax, local tax, or right of pledge, and there is no remainder.

6. The collection is impossible under the reasons determined by the Presidential Decree.

② When disposing of deficits as per Paragraph (1), the whereabouts of the defaulter and whether he/she has property or assets must be checked by the related institution such as the local administrative institution.

③ When disposing of deficits as per Subparagraphs 4~5, Paragraph (1), the delinquency disposition must be stopped and the seizing of property must be cancelled.

④ When the Fair Trade Commission finds other property that can be seized after disposing of deficits according to Paragraph (1), the deficit must be disposed of, but the delinquency disposition must be cancelled. If Subparagraph (2), Paragraph (1) is invoked, however, this provision does not apply. *[Newly established on August 3, 2007]*

FAIR TRADE COMMISSION REPUBLIC OF KOREA

Chapter 11 Damages

Article 56 (Liability for Damages)

① Any enterpriser or enterprisers organization violating the provisions of this Act and consequently causing damage to a person shall be liable for compensating such person for damage. Note, however, that if the enterpriser or the enterprisers organization is able to prove there was neither intention nor any fault, this provision shall not apply. *<Amended on December 31, 2004>*

② Deleted *<December 31, 2004>*

Article 56-2 (Transmission of Records)

In case a lawsuit for liability for damage is instituted as per Article 56 (Liability for Damages), the court may request the Fair Trade Commission to submit records of the case in question (including protocols and stenographic records of examination of the persons concerned and reference witnesses and expert witnesses as well as all judicial evidences).

[Newly established on February 5, 1999]

Article 57 (Determining Damages)

When proving the necessary facts to verify the amount of damage considering the characteristics of such facts is extremely difficult even though the occurrence of damage is deemed to be the result of a violation of the provision, the court shall decide the appropriate amount of damages based on the result of evidentiary investigation and intent of overall pleading. *[Fully amended on December 31, 2004]*

Chapter 12 Exemptions

Article 58 (Legitimate Actions Taken Pursuant to Acts and Subordinate Statutes)

This Act shall not apply to acts of an enterpriser or enterprisers organization as committed in accordance with any Act or any of its decrees.

Article 59 (Exercise of Right to Intangible Property)

The provisions of this Act shall not apply to any act deemed to be an exercise of rights under the Copyright Act, Patent Act, Utility Models Act, Design Act, or Trademark Act. *<Amended on December 31, 2004, August 3, 2007>*

Article 60 (Act of Specified Associations)

The provisions of this Act shall not apply to any act of an association (including a

federation of associations) established in accordance with the following requirements. Note, however, that this exception shall not apply to unfair trade practices or price hikes by unfairly restricting competition. <Amended on February 5, 1999>

1. The association shall aim at providing mutual aid among small-scale enterprisers or consumers.
2. The association shall be established voluntarily; its members may join and withdraw at will.
3. Each member shall have an equal voting right.
4. In case profits are distributed to members, the limits on such shall be set by the Articles of Incorporation.

Article 61 Deleted <December 30, 1996>

Chapter 13 Supplementary Provisions

Article 62 (Duty to Preserve Confidentiality)

Any commissioner or public official who performs or has performed duties under this Act may neither divulge any secrets of an enterpriser or a enterprisers organization learned in the course of carrying out duties nor use it for purposes other than to enforce this Act. <Amended on August 3, 2007>

Article 63 (Consultation on Enactment of Acts Restricting Competition)

① The chief officer of the competent administrative authority shall consult with the Fair Trade Commission in advance when proposing legislation or amending enactments containing anti-competitive regulations such as restrictions on the fixing of prices or terms of transaction, entry to markets, trade practices, improper concerted practices, and prohibited practices of an enterpriser or a enterprisers organization, as well as when approving or establishing other measures involving anti-competitive factors against an enterpriser or a enterprisers organization.

② When planning to enact or amend rules or regulations involving anti-competition, the chief officer of the competent administrative authority shall serve advance notice to the Fair Trade Commission.

③ With regard to the approvals or other measures involving anti-competitive factors as per Paragraph (1), the chief officer of the relevant administrative authority shall serve a notice to the Fair Trade Commission regarding the contents of the said approval or other measures.

④ In relation to the notice prescribed in Paragraph (2), if the rules or regulations to be enacted or amended are deemed to contain anti-competitive provisions, the Fair Trade Commission may give advice to the chief officer of the relevant administrative authority regarding the modification of such anti-competitive provisions. This provision shall also apply to enactments made or amended without notifying the Fair Trade Commission as prescribed by Paragraph (1), acts and subordinate statutes enacted or amended without notice, approvals, or other measures given without prior notice.

[Fully amended on December 30, 1996]

Article 64 (Cooperation from the Chief Officer of a Relevant Authority)

① If deemed necessary for the enforcement of this Act, the Fair Trade Commission may solicit the opinions of the heads of the relevant administrative authorities, other authorities, or associations. *<Amended on December 30, 1996>*

② If necessary for the enforcement of this Act, the Fair Trade Commission may entrust the heads of relevant administrative authorities, other authorities, or associations with the necessary investigations or request for the relevant materials from them. *<Amended on December 30, 1996>*

③ If necessary to secure compliance with a remedial measure under this Act, the Fair Trade Commission may request for the necessary cooperation from the chief officers of relevant administrative authorities, other authorities, or associations. *<Amended on*

December 30, 1996>

Article 64-2 (Payment of Rewards)

- ① The Fair Trade Commission may pay reward within its budgetary limit to any person reporting any violation of this Act to the Fair Trade Commission and providing proof of such violation.
- ② The detailed certification of any practice in violation of this Act and qualification of whistle blowers eligible for reward as well as the scope of and procedure for paying reward as per the provision of Paragraph (1) shall be set by the Presidential Decree.

[Newly established on December 31, 2004]

Article 65 (Delegation and Entrustment of Authority)

The Fair Trade Commission may delegate part of its authority as prescribed by this Act to the head of an agency under its control, the Seoul Special Metropolitan City Mayor, a Metropolitan City Mayor, or a provincial governor or entrust such to the head of another administrative agency in accordance with the procedures set forth by the Presidential Decree. *<Amended on December 30, 1996>*

Article 65-2 (Public Officials' Agenda in Applying the Penal Paragraphs)

- ① In applying the penal Paragraphs in the Penal Code and other laws, a Fair Trade Commission member who is not a public official shall be regarded as a public official.
- ② In applying the penal Paragraphs in Articles 129~132 of the Penal Code, those who takes charge or took charge of mediation of conflict as per Articles 48-3~48-9 shall be regarded as public officials.

[Newly established on August 3, 2007]

Chapter 14 Penal Provisions

Article 66 (Penal Provisions)

① The following persons shall be sentenced to a jail term of not more than three years or a fine of not more than KRW200 million:

<Amended on December 8, 1992, December 30, 1996, February 24, 1998, February 5, 1999, December 28, 1999, January 16, 2001, January 26, 2002, December 31, 2004, April 13, 2007, August 3, 2007>

1. Person who has committed an abusive act in violation of the provisions of Article 3-2
 2. Person who has combined enterprises in violation of Paragraph (1), Article 7
 3. Person who has violated the provisions of Paragraph (2) to 5, Article 8-2
 4. Person who has established a holding company or converted a company into a holding company in violation of Article 8-3
 5. Person who has acquired or owned stocks in violation of the provisions of Article 9 or 10 (1), excluding the person subject to an order of prohibition as per Article 17-2 (1) (including the applicable case as per Article 4 of the Addenda) from among those violating Article 10 (1)
 6. Person who has guaranteed a debt in violation of the provisions of Article 10-2 (1)
 7. Person who has exercised his/her voting rights in violation of the provisions of Article 11 or 18
 8. Person who has evaded the law in violation of the provisions of Article 15
 9. Person who has engaged in unfair concerted practices or encouraged others to participate in such in violation of the provision of Paragraph (1), Article 19
 10. Person who has engaged in prohibited practices involving a enterprisers organization in violation of Subparagraph (1), Paragraph (1), Article 26
- ② Both a jail term and a fine as referred to in Paragraph (1) may be imposed concurrently.

Article 67 (Penal Provisions)

The following persons shall be sentenced to a jail term of not more than two years or a fine of not more than KRW150 million:

<Amended on December 8, 1992, December 22, 1994, December 30, 1996, February 24, 1998, February 5, 1999, January 26, 2002, August 3, 2007>

1. Deleted <December 30, 1996>
2. Person who has engaged in unfair trade practices in violation of Paragraph (1), Article 23
3. Person who has violated the provisions of Subparagraph (2) to 5, Paragraph (1), Article 26 (1) 2~5
4. Person who has engaged in resale price maintenance in violation of Paragraph (1), Article 29
5. Person who has concluded an international contract in violation of Paragraph (1), Article 32
6. Person who has failed to comply with the remedial measures or order of prohibition, etc., as per Subparagraph (1), Paragraph (16), Articles 5, 16 (1), 17-2 (1), 21, 24, 27, 30, 31, or 34
7. Person who has failed to undergo audit by a certified public accountant in violation of the provisions of Paragraph (5), Article 14

Article 68 (Penal Provisions)

The following persons shall be charged with a fine of not more than KRW100 million:

<Amended on December 30, 1996, February 5, 1999, January 26, 2002, December 31, 2004, April 13, 2007, August 3, 2007>

1. Person who fails to make a report on the establishment of a holding company or conversion of an existing company into a holding company or makes a false report in violation of Article 8

2. Person who fails to make a report on the business activities of a holding company, a subsidiary, and a business related sub-subsidiary or makes a false report in violation of Paragraph (7), Article 8-2
3. Person who fails to make a report on the status of stockholding or debt guarantee or makes a false report in violation of Paragraph (1) or/and 2 Articles 13
4. Person who has refused to submit the requested data as per Paragraph (4), Article 14 without a justifiable reason or submitted false data
5. Providing false appraisal in violation of Subparagraph (2), Paragraph (1), Article 50 (Investigation of and Hearing on Violation)
6. Deleted <December 31, 2004>
7. Deleted <December 22, 1994>
8. Deleted <February 5, 1999>

[Fully amended on December 8, 1992]

Article 69 (Penal Provisions)

- ① Notwithstanding the provision of Paragraph (5), Article 50, the person who requests the head of a certain branch of a financial institution to submit the financial transaction information by abusing his/her authority or one who violates the provision of Paragraph (9), Article 50 shall be sentenced to a jail term of less than 5 years or a fine of less than KRW30 million. *<Newly established on December 31, 2004>*
- ② A person who violates the provisions of Article 62 shall be sentenced to a jail term of not more than two years or a fine of not more than KRW2 million. *<Amended on December 30, 1996>*

Article 69-2 (Fine of Negligence)

- ① An enterpriser or an enterprisers organization shall be charged with a fine for negligence of not more than KRW100 million for the cases described in Subparagraphs 1~6 or/and 8 or not more than KRW200 million for the case described

in Subparagraph (7). Officers, employees, and other interested parties of a company or a enterprisers organization shall be charged with a fine for negligence of not more than KRW10 million for the cases described in Subparagraphs 1~6 and 8 or not more than KRW50 million for the case described in Subparagraph (7).

<Amended on December 30, 1996, February 24, 1998, February 5, 1999, December 28, 1999, January 16, 2001, January 26, 2002, December 31, 2004>

1. In making the publication required by Article 11-2, any party that has not obtained a resolution of the board of directors or has failed to make such publication, person who has omitted the major contents of such publication or published false information

2. Person who fails to issue a notice of the combination of enterprises as required by Paragraph (1) or 6 Article 12 or issues false notice, person who violates Paragraph (7), Article 12

3. With regard to the request for documents as per Paragraph (2), Article 14-2, person who fails to submit the requested documents without a justifiable reason or submits falsified documents

4. Deleted <March 25, 2009>

5. Failure to appear without just cause in violation of Subparagraph (1), Paragraph (1), Article 50 (Investigation of and Hearing on Violation)

6. Person who has failed to make a report or present the necessary materials or matters prescribed in Subparagraph (3), Paragraph (1), Article 50 or Paragraph (3), Article 50 or made a false report or presented falsified materials or matters

7. Person who has refused, interfered with, or evaded the investigation prescribed in Paragraph (2), Article 50

8. Person who has refused to submit financial transaction information as per Paragraph (5), Article 50

② A person who has not complied with the orders for the maintenance of good order in violation of Article 43-2 shall be punished by a fine for negligence of not more

than KRW1 million. <Newly established on December 30, 1996>

③ The fine for negligence referred to in Paragraph (1) or Paragraph (2) shall be imposed and collected by the Fair Trade Commission in accordance with the procedures set forth by the Presidential Decree. <Amended on December 30, 1996>

④ Deleted <March 25, 2009>

⑤ Deleted <March 25, 2009>

⑥ Deleted <March 25, 2009>

Article 70 (Concurrent Punishment)

If the representative of a juristic person (including associations without juristic; the same shall apply herein), an agent, an employee, or any other person working for juristic person, or an individual has committed any of the offenses specified in Articles 66 ~ 68 in relation to the business of the juristic person or individual, a fine prescribed by the relevant Article shall be imposed on the juristic person or individual as well as on the person who actually committed the violation. Note, however, that this shall not apply in cases wherein the juristic person or individual took substantial precautionary measures and monitored to prevent such violations. [Fully amended on March, 25 2009]

Article 71 (Filing of Complaint)

① Any offense in violation of Articles 66 and 67 shall be prosecuted through public action only after a complaint is filed by the Fair Trade Commission. <Amended on December 30, 1996>

② If necessary, the Fair Trade Commission shall file complaints together with the Prosecutor General for cases involving the offenses listed in Articles 66 and 67 because the violation is deemed gross and considerable it may substantially suppress competition. <Newly established on December 30, 1996>

③ The Prosecutor General may notify the Fair Trade Commission of the existence of

factors requiring the filing of a complaint as per Paragraph (2) and may request for the cooperation of the Fair Trade Commission in filing a complaint based on such factors. <Newly established on December 30, 1996>

④The Fair Trade Commission may not withdraw the complaint after prosecution has commenced.

<Newly established on December 30, 1996> [Fully amended on December 8, 1992]

Addendum <No. 4198, January 13, 1990>

Article 1 (Enforcement Date)

This Act shall take effect on April 1, 1990.

Article 2 (General Interim Measures)

① Any and all authorizations, approvals, recognitions, designations, remedial measures, etc., granted or taken by the Minister of Finance and Economy pursuant to the previous provisions at the time of enforcement of this Act shall be regarded as those granted or taken by the Fair Trade Commission under this Act.

② Matters reported to, requested from, or notified to the Minister of Finance and Economy pursuant to the previous provisions at the time of enforcement of this Act shall be regarded as those reported to, requested from, or notified to the Fair Trade Commission under this Act.

③ Any public notice served by the Minister of Finance and Economy pursuant to the previous provisions at the time of enforcement of this Act shall be regarded as that made by the Fair Trade Commission under this Act.

Article 3 (Interim Measures for the Prohibition on Mutual Contribution)

If a company belonging to a Business Group designated as a large Business Group and operating a financial or an insurance business at the time of enforcement of this Act violates the provisions of Article 9 (1), such provisions shall not apply for one year starting from the enforcement date of this Act.

Article 4 (Interim Measures for the Total Amount of Contribution)

① If a company belonging to a Business Group designated as a large Business Group at the time of enforcement of this Act or within two years of the enforcement of this Act and receiving the notification prescribed in Article 14 (1) at the time of designation has made a contribution in excess of the maximum contribution amount at the time of notification, the total contribution as of the date of notification (hereinafter referred to as “special maximum amount” shall be considered the maximum contribution amount for two years starting from the enforcement date of this Act in accordance with the provisions of Paragraph (1), Article 10. Note, however, that this provision shall not apply if the maximum contribution amount exceeds the special maximum amount due to an increase in the value of net assets. A period less than that prescribed in Subparagraph (2), Paragraph (3), Article 14 shall be considered one year.

② If necessary, the Fair Trade Commission may ask a company to which the special maximum amount is applicable to prepare and submit a yearly plan for settling the excess of the maximum contribution amount.

③ Notwithstanding the provisions of Paragraph (1), Article 10, a company belonging to a large Business Group and owning as of April 1, 1987 stocks of a company wherein more than thirty percent of its total issued stocks is owned by the government, local governments, or government-invested institutions as per the Framework Act on the Management of Government-Invested Institutions as approved by the Fair Trade Commission may own the stocks after the period referred to in Paragraph (1) has elapsed. In this case, the Fair Trade Commission may separately determine the period of ownership of such stocks by the company.

④ Notwithstanding the provisions of Article 10 (1), a company belonging to a large Business Group and owning as of April 1, 1987 stocks issued by a foreign-invested enterprise as per the Foreign Capital Inducement Act as approved by the Fair Trade Commission may own such stocks for up to three years after the period referred to in Paragraph (1) has elapsed.

Article 5 (Amendment of Other Laws)

① The law on subcontracting fairness is amended as follows: Paragraph (3), Article 25 deleted.

In Paragraph (1), Article 27, “article 32 to Article 35” is changed to “article 42 to 45 and 52,” and “article 42 to Article 44,” to “article 53 to 55.” In Paragraph (2), Article 27, “article 50” is changed to “article 62.”

In Article 28, “Subparagraph (4), Article 15” is changed to “Subparagraph (4), Paragraph (1), Article 23.”

Paragraph (2), Article 32 deleted.

In Paragraph (3), Article 21, Paragraph (1), Article 22, and Paragraph (3), Article 24, “o the Minister of the Economic Planning Board” is changed “to the Fair Trade Commission”; in Paragraph (2), Article 22, Paragraph (1), Article 23, Paragraph (1), Article 25, and Article 26, “he Minister of the Economic Planning Board” is changed to the Fair Trade Commission”. In Paragraph (2), Article 24, and Paragraphs 2 and 4, Article 25, “he Minister of the Economic Planning Board” is changed to the Fair Trade Commission”; in Article 27 and Paragraph (1), Article 32, “he Minister of the Economic Planning Board” is changed to the Fair Trade Commission.”

② The Industrial Development Act has been amended as follows:

In Paragraph (2), Article 26, “The Minister of the Economic Planning Board” is changed to the Fair Trade Commission.”

③ The Overseas Trading Act has been amended as follows:

In Paragraph (2), Article 62, “he Minister of the Economic Planning Board” is changed to the Fair Trade Commission.”

Addendum (Engineering Technology Development Act) <No. 4501, November 25, 1992>

Article 1 (Enforcement Date)

This Act shall take effect six months after its promulgation.

Articles 2~7 omitted

Article 8 (Amendment of Other Laws)

① Omitted

② The Monopoly Regulation and Fair Trade Act has been amended as follows:

Subparagraph (4), Paragraph (1), Article 32 has been amended as follows:

4. Engineering technology introduction contract based on Article 8 of the Engineering Technology Development Act.

③ or/and ④ omitted

Addendum <No. 4513, December 8, 1992>

Article 1 (Enforcement Date)

This Act shall take effect on April 1, 1993.

Article 2 (Interim Measures for Total Investment)

In keeping with the proviso of Paragraph (1), Article 10, the amended provisions of Subparagraph (5), Paragraph (1), Article 10 shall be applicable only to stocks to be acquired or owned after the enforcement of this Act.

Article 3 (Interim Measures for Debt Guarantee)

① If a company belonging to a Business Group designated as a large Business Group subject to the limitations on debt guarantee at the time of enforcement of this Act or within three years of enforcement of this Act and receiving the notification prescribed in Paragraph (1), Article 14 has guaranteed any debt in excess of the maximum debt guarantee amount at the time of receipt of such notification, the total debt guarantee as of the date of issuance of the notification (hereinafter referred to as “special maximum debt guarantee amount” shall be considered the maximum debt guarantee amount for three years after this Act takes effect in accordance with the provisions of Article 10-2 (1). Note, however, that this provision shall not apply in case the maximum debt guarantee amount exceeds the special maximum debt guarantee amount owing to an increase in the owner's capital.

② If necessary, the Fair Trade Commission may ask a company to which the special

maximum debt guarantee amount is applicable as per Paragraph (1) to prepare and submit a plan to settle the excess maximum debt guarantee amount yearly in consultation with domestic financial institutions.

Addendum <No. 4790, December 22, 1994>

① (Enforcement Date)

This Act shall take effect on April 1, 1995.

② (Interim Measures for the Total Amount of Shareholding) If a company belonging to a Business Group designated as a large Business Group at the time of enforcement of this Act or within three years of the enforcement of this Act and receiving the notification prescribed in Paragraph (1), Article 14 at the time of such designation has shareholding in excess of the maximum holding at the time of receipt of such notification, the total amount of shareholding in other domestic companies existing as of the date of receipt of the notification (hereinafter referred to as “special ceiling” shall be considered the ceiling of shareholding for three years after this Act takes effect. Note, however, that this provision shall not apply if the ceiling on the amount of shareholding exceeds the special ceiling due to an increase in the net assets. Any period less than that prescribed in Subparagraph (2), Paragraph (3), Article 14 shall be considered one year.

③ (Examples of Application) The amended provisions of Paragraph (2) Article 10 shall apply only to stocks acquired or owned after this Act takes effect.

Addendum (National Government Organization Act) <No. 4831, December 23, 1994>

Article 1 (Enforcement Date)

This Act shall take effect on the date of its promulgation. Note, however, ...<omitted>

...article 2 or Article 4' Enforcement Date of the Addenda shall be the Enforcement Date of the Presidential Decree for the organization.

Article 2 omitted

Article 3 (Amendment of Other Laws)

The Monopoly Regulation and Fair Trade Act has been amended as follows:

Article 35 has been amended as follows:

Article 35 (Establishment of the Fair Trade Commission)

① The Fair Trade Commission shall be established under the jurisdiction of the Prime Minister for the purpose of independently promoting the objectives of this Act.

② The Fair Trade Commission shall perform its function as one of the central administrative organizations pursuant to Paragraph (2), Article 2.

In Paragraph (2), Article 37, “The Minister of the Economic Planning Board” is changed to the “Prime Minister.”

Article 4 omitted

Addendum <December 30, 1996>

① (Enforcement Date)

This Act shall take effect on April 1, 1997.

② (Interim Measures for Aggregate Contributions)

In relation to the application of the amended provisions of Article 10, the book value of shares acquired before this Act takes effect shall be treated as the purchase price of such shares in case the book value of such shares is below the purchase price of such shares.

③ (Interim Measures for the Guarantee of Liabilities)

After this Act takes effect, if a member company of a large Business Group subject to the limitations on debt guarantee has provided guarantees beyond the maximum debt guarantee prescribed by the amended provisions of Article 10-2 (1) with domestic affiliated companies at the time of enforcement of this Act, the aggregate debt guarantee has exceeded the maximum debt guarantee for the company concerned owing to an increase in the owner's equity.

④ (Interim Measures for the Surcharge Provisions) The previous provisions of this

Act shall apply to acts committed prior to the enforcement of this Act.

Addendum (Housing and Commercial Bank Act)

<No.5403, August 30, 1997>

Article 1 (Enforcement Date)

This Act shall take effect on the date of its promulgation.

Articles 2~7 omitted

Article 8 (Amendment of Other Laws and Relation with Other Laws)

① The Monopoly Regulation and Fair Trade Act has been amended as follows:

In Subparagraph (1), Paragraph (2), Article 10-2, “Housing and Commercial Bank” has been deleted.

②~⑩omitted

Addendum (Act on Readjusting the Constructions Act According to the Changes in the Names of Government Ministries and Offices) <No. 5454, December 13, 1997>

This Act shall take effect on April 1, 1998. <Proviso omitted>

Addenda (Korea Bank Act) <No. 5491, December 13, 1997>

Article 1 (Enforcement Date)

This Act shall take effect on April 1, 1998.

Articles 2~6 omitted

Article 7 (Amendment of Other Laws)

①~②omitted

③The Monopoly Regulation and Fair Trade Act has been amended as follows:

Subparagraph (1), Paragraph (3), Article 14 has been amended as follows:

1. The Financial Supervisory Service established based on the Act of Establishing the Financial Supervisory Service.

④~⑤omitted

Article 8 omitted

Addendum (Securities Exchange Act) <No.5498, January8, 1998>

Article1 (Enforcement Date)

This Act shall take effect on April 1, 1998 (proviso omitted).

Articles 2~13 omitted

Article 14 (Amendment of Other Laws)

① The Monopoly Regulation and Fair Trade Act has been amended as follows:

Subparagraph (2), Paragraph (3), Article 14 has been amended as follows:

2. The Financial Supervisory Service established based on the Act of Establishing the Financial Supervisory Service.

②omitted

Article 15 omitted

Addendum (Financial Company Act) <No. 5503, January 13, 1998>

Article 1 (Enforcement Date) This Act shall take effect on April 1, 1998 (proviso omitted).

Articles 2 and 9 omitted

Article 10 (Amendment of Other Laws)

① The Monopoly Regulation and Fair Trade Act has been amended as follows:

Subparagraph (2), Paragraph (2), Article 10-2 has been deleted.

②~④omitted

Articles 11~12 omitted

Addendum <No. 5528, February 24, 1998>

① (Enforcement Date)

This Act shall take effect on April 1, 1998; note, however, that the amended provisions of Article 10 shall take effect on the date of its promulgation.

② (Interim Measures for Debt Guarantee) If the total debt guarantees for domestic affiliated companies designated by a company belonging to a Business Group in 1998 as a large Business Group subject to the limitations on debt guarantee as designated in 1997 and guarantees for domestic affiliated companies at the time of such designation exceed the limitations on debt guarantee pursuant to the previous provisions of Article 10-2 (1), the previous provisions shall apply; note, however, that

the period that is exceptionally recognized pursuant to the decrease in shareholder's equity as referred to in the previous provisions of Article 10-2 (4) shall not expire on or before March 31, 2000.

Addendum (Government Organization Act) <No. 5529, February 28, 1998>

Article 1 (Enforcement Date)

This Act shall take effect on the date of its promulgation (proviso omitted).

Articles 2~4 omitted

Article 5 (Amendment of Other Laws)

①~② omitted

③ The Monopoly Regulation and Fair Trade Act has been amended as follows:

In Paragraph (4), Article 37, "Article 9 of the Government Organization Act" is changed to "Article 10 of the Government Organization Act."

④ through <34> omitted

Articles 6~7 omitted

Addendum (Foreign Investment Promotion Act)

<No. 5559, September 16, 1998>

Article 1 (Enforcement Date) This Act shall take effect two months after the date of its promulgation.

Articles 2~7 omitted

Article 8 (Amendment of Other Laws)

① omitted

② The Monopoly Regulation and Fair Trade Act has been amended as follows:

In Subparagraph (2), Paragraph (2), Article 8, "Act on Foreign Investment and Introducing Foreign Capital" is changed to "Foreign Investment Promotion Act."

③~⑩ omitted

Article 9 omitted

Addendum <No. 5813, February 5, 1999>

① (Enforcement Date) This Act shall take effect on April 1, 1999; note, however,

that the amendments to Article 50 (5), (6), (7), and (8), Paragraph (6), Article 68, and Articles 69 (1) and 69-2 (1) 7 shall take effect on the date of promulgation of this Act.

② (Period of validity) The amendments to Article 50 (5), (6), (7), and (8), Paragraph (6), Article 68, and Articles 69 (1) and 69-2 (1) 7 shall remain in force for five years from the date of promulgation of this Act. <Amended on January 16, 2001>

③ (Interim Measures Pursuant to the Expiration of the Period of Validity) The application of the penal provisions or fine for negligence to any act committed prior to the expiration of period of validity as per Paragraph (2) of these Addenda shall be governed by the previous provisions.

④ (Interim Measures for Penal Provisions) The application of the penal provisions to any act committed prior to the enforcement of this Act shall be governed by the previous provisions.

Addendum (Fair Labeling and Advertising Act) <No.5814, February 5, 1999>

Article 1 (Enforcement Date)

This Act shall enter into force on July 1, 1999.

Article 2 (Interim Measures on Remedial Measures Surcharge and Penal Paragraph)

The application of remedial measures, surcharge and penal Paragraphs for violation of Subparagraph (5), Paragraph (1) of Article 26, and Subparagraph 6, Paragraph (1) of Article 23 of the former Monopoly Regulation and Fair Trade Act shall be based on the former regulations.

Article 3 (Interim Measures on Fair Competition Agreement)

The fair competition agreement on labeling and advertising examined by the Fair Trade Commission based on Paragraph (4) and 5 of Article 23 of the former Monopoly Regulation and Fair Trade Act shall be deemed as the self-control agreement of labeling and advertising examined by Article 14.

Article 4 (Amendment of Other Laws)

①The Monopoly Regulation and Fair Trade Act has been amended as the following.
Subparagraph(6),Paragraph(1)ofArticle23hasbeendeletedand“Labelingandadvertisem

entthatcoulddeceivetheconsumer,untruthfullabelingoradvertisementthatcouldunfairlyattractcustomers”inParagraph(4)hasbeenchangedto“unfairattractionofcustomer”

Deletion of contract Paragraph, modified advertisement” in Article 24 has been changed to “Deletion of contract Paragraph”

Subparagraph (5), Paragraph (1)of Article 26 has been deleted.

“Termination of action, modified advertisement” inArticle27 has been changed to “Termination of action”

② Omitted

Article 5 (Relation with Other Statutes)

If the former Monopoly Regulation and Fair Trade Act or the regulation is quoted in other statues, the former regulations shall be substituted and this act or the regulations under this act shall be quoted.

Addendum <No. 5825, February 8, 1999>

Article1 (Enforcement Date)

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

Article 2 through Article 9 omitted

Article 10 (Amendment of Other Laws)

① through ④ omitted

⑤The Monopoly Regulation and Fair Trade Act has been amended as the following.

Subparagraph (1), Paragraph (1) of Article 10-2 shall be changed as the following 1.

A guarantee made in connection with any debt of a company, which is taken over according to the plan or criteria for rationalization under the Restriction of Special Taxation Act.

⑥ through ⑫ omitted

Addendum <No. 6043, December 28, 1999>

Article 1 (Enforcement Date)

This Act shall enter into force on April 1, 2000: Provided, that the amended provisions of Articles 10 and 14 (3) 2 shall enter into force on April 1, 2001

Article 2 (Special Case for Application concerning Investment for Corporate Restructuring)

Of the amended provisions of Article 10 (1) 4, where acquiring or owning stocks for the purpose of corporate restructuring, with regard to the stocks that may be acquired or owned in excess of the amount of equity investment limit, the provisions of the same Article, same Paragraph, and same Subparagraph shall also be applicable to the stocks that were acquired or owned during a period from January 1, 1998 to March 31, 2002. In this case, in calculating the period according to the provisions of the same Subparagraph, what have been acquired or owned during the period from January 1, 1998 to March 31, 2001 shall be deemed to have been acquired or owned on April 1, 2001. <Amended on 2002. 1. 26.>

Article 3 (Interim Measures concerning Total Investment)

In applying the amended provisions of Article 10 (1) to a case where a company belonging to an Business Group designated as a large Business Group makes investment in excess of the limit of total amount at the time of enforcing this Act, the total amount of investment made by such company as of the date of enforcing this Act shall be deemed the investment limit amount for one year from the date of enforcing this Act: Provided, That the same shall not apply to the case where the limit of total amount exceeds an amount deemed the total amount of shareholding in other domestic companies following an increase in the net asset value

Article 4 (Interim Measures concerning Investment in Infrastructure)

Any person who has acquired or owned, or received recognition of period extension with respect to, stocks of a company incorporated to carry on the first-class facility business as prescribed in the provisions of Subparagraph (2) of Article 2 of the previous Promotion of Private Capital into Social Overhead Capital Investment Act (referring to the Act before it was amended by Act No. 5377) in accordance with the provisions of Article 10 (2) of the previous Monopoly Regulation and Fair Trade Act (referring to the Act before it was amended by Act No. 5528) prior to the

enforcement of this Act shall be deemed to have acquired or owned such stocks or have received recognition of period extension under the amended provisions of Article 10 (1) 3 for a period recognized by the Fair Trade Commission at the time of recognition.

Article 5 (Interim Measures concerning Investment Made to Attract Foreign Investment)

Where any stocks acquired or owned to attract foreign investment prior to the enforcement of this Act fall under the amended provisions of Article 10 (1) 4, such stocks shall be deemed to be acquired or owned on April 1, 2001.

Addendum <No. 6371, January 16, 2001>

① (Enforcement Date)

This Act shall enter into force on April 1, 2001 provided that the amendments to Paragraph (2) of the Addenda of the Monopoly Regulation and Fair Trade Act amended by Act No. 5813 shall enter into force on the date of its promulgation.

② (Applicable Cases concerning Additional Payment for Refund of Surcharge) The amendments to Article 55-6 shall be applicable to the portion of occurrence of the causes for refund on or after the enforcement date of this Act

③ (Transitional Measures on Application of Penal Provisions) In applying the penal provisions against the activities prior to the enforcement of this Act, the previous provisions shall govern.

Addendum <No. 6651, January 26, 2002>

Article 1 (Enforcement Date)

This Act shall enter into force on April 1, 2002: Provided, That the amended provisions of Article 11, and of Article 2 of the Addenda of Act No. 6043 Amended Act of the Monopoly Regulation and Fair Trade Act, shall enter into force on the date of its promulgation.

Article 2 (Period of Validity)

Matters related to corporate restructuring in Article 10 (1) 4 shall be valid not later

than March 31, 2003.

Article 3 (Retroactive Application concerning Total Investment Limitation System)

① The amended provisions of Article 10 shall also be applicable to the stocks that are acquired or owned at the time of enforcement of this Act. In this case, the stocks acquired or owned under the amended provisions of Article 10 (6) 2 shall be limited to those acquired or owned after January 1, 1998

② In applying the provisions of Paragraph (1), where the stocks acquired or owned at the time of enforcement of this Act in order to induce foreign investments (excluding the stocks falling under Article 5 of the Addenda of Act No. 6043 Amended Act of the Monopoly Regulation and Fair Trade Act) come to fall under the amended provisions of Article 10 (1) 3, and were acquired or owned before March 31, 2001, they shall be deemed to have been acquired or owned on April 1, 2001

Article 4 (Retroactive Application to Enterprise Having Amount Exceeding Investment Limit)

At the time of enforcing this law, when affiliates under business conglomerates designated at the time of enforcing this law continuously hold shares in other domestic companies, acquired or held surpassing the investment limit as of April 1st 2001 (the designation date of affiliates under business conglomerate, which is appointed as large business conglomerate in 2001, and hereinafter the same), exceeding one year from April 1st 2001, or violate the provision under Article 10 Paragraph (1) by continuously holding shares surpassing the period allowed for exception, the amended provisions under Article 17-2 and Article 67, Paragraph (6) shall be applied

[Fully amended on 2004.12.31]

Article 5 (Interim Measures for Designation, etc. of Business Group Subject to Limitations on Cross-Shareholding)

The Business Group designated as a large Business Group or that subject to limitations on debt guarantee under the previous provisions of Article 14 (1) at the

time of enforcement of this Act, shall be deemed to be designated as an Business Group subject to limitations on cross-shareholding under the amended provisions of Article 14 (1)

Article 6 (Interim Measures for Application of Penal Provisions)

An application of penal provisions to the acts committed before the enforcement of this Act shall be governed by the previous provisions.

Addendum (Korea Technology Credit Guarantee Fund Act) <No.6705, August 26, 2002>

Article 1 (Enforcement Date)

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

Article 2 through Article 3 omitted

Article 4 (Amendment of Other Laws)

① through ② omitted

③ The Monopoly Regulation and Fair Trade Act has been amended as the following. In Subparagraph (2), Paragraph (2) of Article 12, "Act on Financial Support for New Technology Business" is changed to "Technology Credit Guarantee Fund Act"

④ through ⑩ omitted

Addendum (Design Act) <No. 7289, December 31, 2004>

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

Article 2 through Article 4 omitted

Article 5 (Amendment of Other Laws)

① through ⑤ omitted

⑥ The Monopoly Regulation and Fair Trade Act has been amended as the following. "Decorative design act" is changed to "Design Act" in Article 59.

⑦ through ⑮ omitted

Addendum <No. 7315, December 31, 2004>

Article 1 (Enforcement Date)

This Act shall enter into force from April 1st 2005. Provided that amended provisions under Article 50 Paragraph (5), and Paragraph (9), Article 69 Paragraph (1), and Article 69-2 Paragraph (1), Subparagraph (8)

Article 2 deleted <2007.4.13>

Article 3 (Application Case on notifying Combination of Enterprises)

① For combination of enterprises, which has a reporting obligation in accordance with the previous provision at the time of enforcing this Act, it shall be applied with the previous provision, despite the amended provisions under Article 12, Paragraph (1), (2), (5) and (7)

② Combination of enterprises, which had a reporting obligation pursuant to the provision of Article 12, Paragraph (1), Subparagraph (1), shall be applied with the amended provision of Article 12, Paragraph (1), Subparagraph (2), if it is subject to this provision after the enforcement of this amended Act

③ In case of combination of enterprises, which does not have any reporting obligation, or is subject to the amended provision of Article 12, Paragraph (1), Subparagraph (1), if one of merging parties is large business, it shall be applied with the amended provisions of Article 12, Paragraph (2), 5, and 7. In addition, despite the amended provision of Paragraph (6) of the same Article, the combination of enterprises shall be reported within 30 days since the date of combination of enterprises.

④ The amended provision under Article 12, Paragraph (9) shall be applied from the combination of enterprises, which is required to be reviewed by the Fair Trade Commission for the first time since the enforcement of this amended Act.

Article 4 (Interim Measure against Restraining Share Ownership besides Subsidiaries of Non-financial Holding Company) If the holding company, reported to the Fair Trade Commission at the time of enforcing this Act, owns shares in domestic company other than its subsidiaries, exceeding 5% of total amount of issues shares, the shares issued by the said domestic company shall meet the amended provision of

Article 8-2, Paragraph (2), Subparagraph (3) within two years since the enforcement date.

Article 5 (Interim Measure against Restraining Share Ownership in Business Related Sub-subsidiary held by Subsidiary under Non-financial Holding Company) When subsidiary under non-financial holding company, reported to the Fair Trade Commission, at the time of enforcing this Act, holds shares in business related sub-subsidiary, shares in the said business related sub-subsidiary shall meet the amended provision under Article 8-2, Paragraph (3), Subparagraph (1) within two (2) years since the enforcement date of this Act.

Article 6 (Interim Measure against Prohibiting Shareholding in other subsidiaries by subsidiary under non-financial holding company) At the time of enforcing this Act, if the subsidiary under non-financial holding company reported to the Fair Trade Commission holds shares in other subsidiary under the same non-financial holding company, the shares in that said subsidiary shall meet the amended provision under Article 8-2, Paragraph (3), Subparagraph (2) within 2 years since the enforcement date of this Act.

Article 7 (Interim Measure on Total Amount of Shareholdings)

① The shares acquired or owned, in accordance with the provision under the previous Article 10, Paragraph (1), Subparagraph (3), by the company falling under business conglomerate subject to the regulation of restraining the total amount of shareholdings in other domestic companies during the time of enforcing this Act, shall follow the previous provision even in the case of not meeting the condition under the amended provision of Article 10, Paragraph (1), Subparagraph (3).

② When company, falling under the business conglomerate subject to the regulation of restraining the total amount of shareholdings in other domestic companies at the time of enforcing this Act, acquired or holds shares pursuant to the provision under the previous Article 10, Paragraph (1), Subparagraph (4), it follows the amended provision of Article 10, Paragraph (1), Subparagraph (4).

Article 8 (Interim Measures on Surcharges against Undue Concerted Behavior) As a behavior taken place before enforcing this Act, if it is terminated before the enforcement of this Act, or continues even after the enforcement, the previous provision shall be applied in imposing surcharge. <Amended on 2007.8.3>

Article 9 (Special Case on Restraining Voting Rights of Financial or Insurance Companies) The number of shares, whose voting rights may be exercised, among the shares in domestic affiliates owned or acquired by the company falling under business conglomerate subject to restrain mutual shareholdings, running financial or insurance business, in accordance with the proviso under Article 11, and the previous Paragraph (3) under the same Article, shall not surpass 30/100 of the total number of issued shares of its affiliates by March 31st 2006, 25/100 from April 1st 2006 to March 31st 2007, 20/100 from April 1st 2007 to March 31st 2008, and 15/100 from April 1st 2008, adding the number of shares that specially related persons may exercise voting rights except the one set by the Presidential Decree over the affiliates despite the amended provision under Article 11, Subparagraph (3).

Article 10 (Amendment of Other Acts)

① Among the Fair Franchise Transactions Act, following shall be amended.

In its Article 37, Paragraph (2), “Article 55-3 and Article 55-6” shall be changed to “Article 55-3 and Article 55-7”

② Among the Fair Franchise Transactions Act, following shall be amended.

In its Article 25-3, Paragraph (2), “article 55-3 and Article 55-5” shall be changed to “article 55-3 and Article 55-6”

③ Among the Fair Franchise Transactions Act, following shall be amended.

In its Article 16, Paragraph (3), “article 55-5” shall be changed to “article 55-6”

④ Among the Fair Franchise Transactions Act, following shall be amended.

In its Article 44, Paragraph (4), “article 55-5” shall be changed to “article 55-6”.

⑤ Among the Act on Consumer Protection in Electronic Commerce, etc., following shall be amended.

In its Article 34, Paragraph (4), “article 55-5” shall be changed to “article 55-6”
Addendum (Act on Private Participation in Infrastructure) <No. 7386, 2005.1.27>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation. But, the amended regulations of Paragraph (8) of Article 5 of the Addendum shall be enforced from April 1, 2005.

Article 2 through Article 4 omitted

Article 5 (Amendment of Other Laws)

① through ⑥ omitted

⑦ The Monopoly Regulation and Fair Trade Act has been amended as the following.
In Subparagraph (1), Paragraph (6) of Article 10, “Subparagraph (1) through 2 of Article 4 of Act on Private Investment of Indirect Capital Facilities in the Society” is changed to “Subparagraph (1) through 3 of Article 4 of Act on Private Participation in Infrastructure”

⑧ The Monopoly Regulation and Fair Trade Act No. 7315 has been amended as the following.

In Subparagraph (1), Paragraph (6) of Article 10, “Subparagraph (1) through 3 of Article 4 of Act on Private Investment of Indirect Capital Facilities in the Society” is changed to “Subparagraph (1) through 4 of Article 4 of Act on Private Participation in Infrastructure”

⑨ through ⑭ omitted

Article 6 omitted

Addendum (Integrated Insolvency Act) <No. 7428, 2005.3.31>

Article 1 (Enforcement Date)

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

Article 2 through Article 4 omitted

Article 5 (Amendment of Other Laws)

① through <35> omitted

<36>The Monopoly Regulation and Fair Trade Act has been amended as the following.

A of Subparagraph (6), Paragraph (1) of Article 10 shall be amended as the following, and B shall be deleted, and “bankruptcy Act” in C shall be changed to “integrated Insolvency Act” and in Subparagraph (3) of Paragraph (7), “composition proceedings based on the Composition Law or company reorganization proceeding based on Company Reorganization Act” is changed to “restoration proceeding based on “integrated Insolvency Act”

A. Company going through restoration proceedings based on “integrated Insolvency Act” The proviso of Subparagraph (3), Paragraph (3) of Article 14 shall be changed as the following.

But, when the sales turnover procedure is commenced based on Integrated Insolvency Act on the company under the regulation not in the Subparagraphs, the Subparagraph shall not apply until the date the sales turnover procedure has ended, and when company under the regulation not in the Subparagraphs has debt guarantee on the company where the sales turnover procedure has commenced, the Subparagraph shall not apply until the date the sales turnover procedure has ended of the company receiving debt guarantee. <37> through <145> omitted

Article 6 omitted

Addendum <No. 7492, 2005.3.31>

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

Addendum (National Public Service Law) <No. 7796, 2005.12.29>

Article 1 (Enforcement Date) This Act shall enter into force from July 1, 2006.

Article 2 through Article 5 omitted

Article 6 (Amendment of Other Laws)

① through <26> omitted

<27>The Monopoly Regulation and Fair Trade Act has been amended as the following.

In Subparagraph (1), Paragraph (2) of Article 37, “public officials of Grade II or higher” is changed to “public officials of Grade II or higher or high ranking public official”

In Paragraph (3) of Article 37, “public officials equivalent to Grade I” is changed to “officials in special government service in high ranking public official

<28> through <68> omitted

Addendum <No. 8382, 2007.4.13>

Article 1 (Enforcement Date)

This Act shall enter into force three months after the date of its promulgation. But, the amended regulations of Article 8-2, Paragraph (1), 2 and 8 of Article 10, Paragraph (4) of Article 17, Paragraph (5) of Article 50 and Paragraph (6)8, and Addendum Article 2, amended Monopoly Regulation and Fair Trade Act No. 7315, and amended Addendum Article 2 shall be enforced from date of its promulgation.

Article 2 (Period of validity)

The amended regulation of Paragraph (5) of Article 50 shall be effective until December 31, 2010.

Article 3 (Exemption on Excluding the Designation of Total Investment Amount Limitation Business Group)

Business group with total asset calculated to be under 10 trillion won according to the regulation amended on Paragraph (2) of Article 10 of domestic companies in the business group on the designated date in 2007 among the business group designated as total investment amount limitation business group according to Paragraph (1) or Article 14 shall be deemed to be excluded from total investment amount limitation business group from the promulgation date of this act.

Article 4 (Interim Measures on Penal Paragraph and Fine for Negligence)

The penal Paragraph and fine for negligence on the former action shall be based on the former regulations.

Addendum (Statistical Act) <No. 8387, 2007.4.27>

Article 1 (Enforcement Date)

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

Article 2 through Article 7 omitted

Article 8 (Amendment of Other Laws)

① through ④ omitted

⑤ The Monopoly Regulation and Fair Trade Act has been amended as the following. Subparagraph (10) of Article 2 of the “Subparagraph (1) of Article 17 of the Statistical Act” shall be changed to “Paragraph (1) of Article 22 of the Statistical Act”

⑥ through ⑭ omitted

Article 9 omitted

Addendum (Corporate Restructuring Promotion Act) <No. 8572, 2007.8.3>

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

Article 2 through Article 4 omitted

Article 5 (Amendment of Other Laws)

① The Monopoly Regulation and Fair Trade Act has been amended as the following. In D of Subparagraph (6), Paragraph (1) of Article 10, 1 of Subparagraph (1) of Paragraph (1) through Subparagraph (1) of Paragraph (3) of Article 12 of the Corporate Restructuring Promotion Act” shall be changed to “any one of the regulation from Subparagraph (1) through 3 of Paragraph (1) of Article 7 of the Corporate Restructuring Promotion Act” and “article 12 of the Corporate Restructuring Promotion Act” shall be changed to “article 7 of the Corporate Restructuring Promotion Act” in Subparagraph (3) of Paragraph (7) of the same Article.

② and ③ omitted

Addendum <No. 8631, 2007.8.3>

Article 1 (Enforcement Date)

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

Paragraph (5) of Article 50 and amended regulation of Addendum Article 8 of the amended Monopoly Regulation and Fair Trade Act No. 7315 shall be enforced from the promulgation date, and the amended regulation from Paragraph (3) through Paragraph (9) of Article 48 shall enter into force six months after the date of its promulgation.

Article 2 (Period of Validity)

The amended regulation of Paragraph (5) of Article 50 shall be effective until December 31, 2010.

Article 3 (Example of Applying Notification of Combination of Enterprises)

The amended regulation of Subparagraph (1), Paragraph (4) of Article 7 and Subparagraph (2) and 5, Paragraph (1) of Article 12 shall be applied from the date the initial date in reckoning the notification of combination of enterprises after this Act enter into force.

Article 4 (Interim Measures on Combination of Enterprises)

Notwithstanding the amended regulation of Subparagraph (2) and 5, Paragraph (1) of Article 12, and Subparagraph (1), Paragraph (4) of Article 7, the former regulation shall apply for combination of enterprises in which the initial date in reckoning of notification of combination of enterprises has arrived according to the former regulation at the time this Act enter into force.

Article 5 (Interim Measures on Assuming Improper Cartels)

On the assumption of improper cartels that falls under each Subparagraph of Paragraph (1) of Article 19 that has ended before the time this Act entered into force, the former regulation will enter into force notwithstanding the amended Paragraph (5) of Article 19.

Article 6 (Interim Measures on Penal Paragraph and Fine of Negligence)

The former regulations shall apply for the penal Paragraph and fine of negligence for the action before this Act entered into force.

Article 7 (Amendment of Other Laws)

The Corporate Tax Law shall be amended as the following

In A of Subparagraph (4), Paragraph (1) of Article 18-2, “sub-subsidiary related to business” shall be changed on “sub-subsidiary”

Addendum (Capital Market and Financial Investment Business Act) <No. 8635, 2007.8.3>

Article 1 (Enforcement Date)

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

<Proviso omitted>

Article 2 through 41 omitted

Article 42 (Amendment of Other Laws) ① through <35> omitted

<36> The Monopoly Regulation and Fair Trade Act has been amended as the following.

In Subparagraph (2), Paragraph (2) of Article 8, “KOSDAQ listed company or stock listed company based on “Stock Exchange Act” shall be changed to “stock listed company based on “Capital Market and Financial Investment Business Act”
Subparagraph (4), Paragraph (2) of Article 10 shall be changed as the following and Subparagraph (5) of the same Paragraph shall be deleted.

4. Investment Sales Company, Investment Agency and Financial Institution based on “Capital Market and Financial Investment Business Act”

In Subparagraph (3), Paragraph (3) of Article 11-2, “Based on the regulation of Article 186 of the Stock Exchange Act” shall be changed to “Based on Article 161 of the “Capital Market and Financial Investment Business Act”

In Subparagraph (1), Paragraph (1) of Article 11-3, “Based on Paragraph (1) of Article 188 of the Stock Exchange Act” shall be changed to “Based on Subparagraph (2), Paragraph (1) of Article 9 of “Capital Market and Financial Investment Business Act”

In Subparagraph (3), Paragraph (3) of Article 12, “Investment company (excluding corporate takeover securities company in Article 142-1) under Indirect Investment

Asset Management Act” shall be changed to “Investment company under “Capital Market and Financial Investment Business Act”

<37> through <67> omitted

Article 43 through Article 44 omitted

Addendum<ActNo.8666, Oct. 17, 2007>

- ① (Enforcement Date) This Act shall enter into force on the date of its promulgation.
- ② (Applicability) The amended provisions of Article 10 (1) 7 shall apply with respect to the acquisition of stocks of a company established on or after this Act enters into force, and the amended provisions of Subparagraph (8) of the same paragraph shall apply with respect to the acquisition of stocks of a company relocated to an area, other than the Seoul Metropolitan Area, on or after this Act enters into force.

Addendum<ActNo.8863, Feb. 29, 2008>

Article 1 (Enforcement Date)

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

Articles 2 through 4 Omitted.

Article 5 (Amendment of Other Acts) ① through <83> omitted

<84> Part of the Monopoly Regulation and Fair Trade Act shall be amended as follows:

Change the "Act on the Establishment, etc. of Financial Supervisory Organization" in Paragraph (1), Article 14-4 of the Act to the "Act on the Establishment, etc. of Financial Services Commission ".

<85> omitted

Addendum <Act No.9357, Jan .30, 2009>

Article1 (Enforcement Date)

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

Articles2through3Omitted.

Addendum <ActNo.9554, Mar. 25, 2009>

This Act shall enter into force on the date of its promulgation: Provided, that the amended provisions of Articles 11-4 and 12 (6) shall enter into force three months after the date of its promulgation.

Addendum<ActNo.10166, Mar. 22, 2010>

Article1 (Enforcement Date)

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

Articles2through9Omitted.

Article 7 (Amendment of Other Laws)

① The Monopoly Regulation and Fair Trade Act has been amended as the following.

Articles 12-2

② through ⑨ Omitted.

Articles 8 through Articles 9 Omitted.

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

Article1 (Enforcement Date)

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

Articles2 through 8 Omitted.

Article 9 (Amendment of Other Laws) ① through <29> Omitted.

<30> The Monopoly Regulation and Fair Trade Act has been amended as the following.

<31> through <86> Omitted.

Articles10 Omitted.

Addendum<Act No.11119, December 2, 2011>

This ACT shall enter into force on the date its promulgation.