DR & AJU LLC

Weekly Legislative Report

For the week of April 29, 2024 – May 3, 2024



As the first-ever Korean law firm to issue specialized legislative journals, DR & AJU LLC has been publishing the monthly *Policy & Business (P&B)* Report since August 2019. The *P&B Report* provides analyses of plenary sessions of the National Assembly, as well as standing committee and subcommittee meetings. In addition, the firm has been co-hosting the *Future Leaders Forum* with the Herald Business, inviting chairpersons of standing committees to discuss relevant legislative issues and tasks.

As an extension of this service, DR & AJU has also been issuing the *Weekly Legislative Report*, which covers various legal issues at the center of public debate along with editorials and columns on the Serious Accidents Punishment Act ("SAPA") from major daily news outlets. The report will be released with an update on newly proposed or pending bills. Enclosed is this week's legislative report, and please refer to the *P&B Report* for further details.

If you wish to subscribe to the P&B Report or have any other queries, please contact us at Ic@draju.com.

Executive Summary

Legislation Type	Keyword(s)	Name of Bill	Highlights
Proposed	Construction & Real Estate	Partial Amendment to the Restitution of Development Gains Act	This Amendment proposes a reduction in development charges for development projects subject to the imposition of development charges with authorization, etc., obtained from January 1, 2024, to December 31, 2024.
	Corporate Finance, Administration	② Partial Amendment to the Community Credit Cooperatives Act	This Amendment allows individuals with a specific amount of experience as a member or a delegate to be appointed or elected as a full-time executive officer.
Pending	Infrastructure & Technology, Corporate Litigation	3 Act on Artificial Intelligence Industry Promotion and Trust Securement	This Bill establishes the legal foundation to support the AI industry and mandates businesses utilizing AI technologies in high-risk sectors to ensure safety and credibility.
Promulgated	Infrastructure & Technology	Act on the Promotion of Utilization and Support of Urban Air Mobility	This Bill facilitates the advancement of new technologies and the development of services for various UAM aircraft, such as air taxis, without being limited by the existing aviation laws.
Undergoing Pre- Announcement of Legislation/ Administration	IP	⑤ Partial Amendment to the Enforcement Decree of the Personal Information Protection Act	This Amendment establishes detailed criteria for the qualification of data transmitters, methods of transmission, etc., to facilitate the settlement of the MyData system (personal information transmission request system) across all sectors starting next year.

1. Proposed Bill(s)

*Please refer to the link at the bottom of each section for the full text of the legislative bill or examination report.

No.	Proposer	Name of Bill	Content	Related Article (Korean)	Progress
1	Bum Soo SUH (People Power Party)	Partial Amendment to the Restitution of Development Gains Act	 In 2023, construction permits were issued for a total area of land 25.6% smaller than last year, while the area of land under construction also decreased by 31.7%. This downturn in the construction and real estate market is causing local economies to suffer. Considering the significant impact that construction investment and the real estate market have on local economies and the job market, development charges must be alleviated to improve economic sentiment. Therefore, this Amendment proposes a reduction in development charges for development projects subject to the imposition of development charges if they were authorized between January 1, 2024, and December 31, 2024, to boost construction investment and support market recovery (Article 7–3 Newly Inserted). Source (Korean): https://likms.assembly.go.kr/bill/billDetail.do?billId=PRC_X2W4U0T4U1Q601N6O1N7V0T6S8S4R8		Proposed on April 24, 2024

No.	Proposer	Name of Bill	Content	Related Article (Korean)	Progress
2	Seung Su KIM (People Power Party)	Partial Amendment to the Community Credit Cooperatives Act	• The current Act prescribes that the qualifications for full-time executive officers of a credit cooperative shall be determined by the Presidential Decree. While the term "full-time executive officer" includes full-time chairpersons, full-time directors, and full-time auditors, the previous Presidential Decree only specified the qualification of full-time directors. Recently, the Presidential Decree was amended to enhance the management expertise of community credit cooperatives by expanding the qualification requirements to include full-time chairpersons and full-time auditors. However, there are concerns that this amendment favors internal executive officers and employees of credit cooperatives. The amended Presidential Decree prescribes that a full-time chairperson shall (i) possess at least six years of experience as a director of a credit cooperative, including four years as a full-time director, (ii) possess at least ten years of experience as a full-time employee of a credit cooperative or the Korean Federation Community Credit Cooperatives or (iii) possess at least ten years of experience as a full-time employee of an institution subject to inspection under Article 38 of the Act on the Establishment of Financial Services Commission. In addition, the qualification for a full-time auditor under the amended decree includes (i) at least five years of experience as a full-time employee of an institution subject to inspection under Article 38 of the Act on the Establishment of Financial Services Commission, specifically in roles related to auditing, accounting, or financing as a full-time employee of an institution subject to inspection under Article 38 of the Act on the Establishment of Financial Services Commission, specifically in roles related to auditing, accounting, or financing. Critics have pointed out that the excessively strict qualifications may unfairly limit the right to participate, as well as violate the proportional validity with other laws, such as the Credit Unions Act. Most impo		Proposed on April 22, 2024

No.	Proposer	Name of Bill	Content	Related Article (Korean)	Progress
			Therefore, this Amendment aims to prescribe the time contributed to the growth of a credit cooperative as a member or experience as a delegate to be a qualification for full-time executive officers. This is to improve the management of community credit cooperatives by revising the qualification regulations and allowing members or delegates with sufficient experience to be appointed or elected as full-time executive officers (Article 18(2)).		
			Source (Korean): https://likms.assembly.go.kr/bill/billDetail.do?billId=PRC_S2R4Q0Y3X1V2W1V0C4B1K3I2J8I1G1		

2. Pending Bill(s)

No.	Proposer	Name of Bill	Content	Related Article (Korean)	Progress
3	Doo Hyun YOON (People Power Party)	Act on Artificial Intelligence Industry Promotion and Trust Securement	 Main Content I. This Act aims to establish provisions necessary for promoting the artificial intelligence (hereinafter "Al") industry and cultivating a foundation of trust for an Al society, thereby protecting people's rights, interests, and dignity, contributing to improving their quality of life and strengthening national competitiveness (Article 1). II. The Minister of Science and ICT, after hearing opinions from the heads of relevant central administrative agencies and local governments, shall establish and implement an Al basic plan every three years following the deliberation and resolution by the Al Committee (Article 5). III. The Al Committee shall be established under the jurisdiction of the Prime Minister to deliberate and decide on matters related to the establishment of Al society and the promotion of the Al industry (Article 6). IV. The National Al Center shall be established to provide expertise that supports the establishment and implementation of master plans, the development of Al-related policies and measures, and the planning and implementation of relevant projects (Article 10). V. The Minister of Science and ICT may support projects related to the research, development, or utilization of Al technologies to facilitate their advancement. The Minister may also support projects for the safe and convenient use of Al technologies, including the research and development of technologies outlined in each subparagraph of Article 60(1) of the Framework Act on Intelligent Information (Article 12). 	https://www.yna.co. kr/view/AKR202405 02042200001?input =1195m	Proposed on December 7, 2022 Presented Before Subcommittee/ Article-by-Article Examination Completed on December 15, 2022 Presented Before Subcommittee/ Article-by-Article Examination Completed/ Resolved (Repealed and Reflected in the Alternative) on February 14, 2023

No.	Proposer	Name of Bill	Content	Related Article (Korean)	Progress
			 VI. The State and local governments may provide various support measures, such as consultation with relevant companies, training on Al technology implementation and utilization to executives and employees of SMEs and venture companies, and financial support, with the aim of facilitating the adoption and widespread dissemination of Al technology (Article 15). VII. The Ministry of Science and ICT shall endeavor to improve the relevant system, which may involve modifying laws and statutes to promote the Al industry and bolster the reliability of Al technologies. When deemed necessary, the Minister may seek cooperation from relevant central administrative agencies (Article 18). VIII. Individuals who develop or manufacture Al or Al technologies shall ensure the operation procedure and results of their technologies are both logically and subjectively explainable to maintain the credibility of Al while also protecting the fundamental rights of users (Article 24). IX. Individuals planning to develop, utilize, or provide Al or Al-based products or services may request confirmation from the Minister of Science and ICT if the Al falls under the category of Al used in high-risk fields, and the Minister of Science and ICT must make the necessary confirmation (Article 26). X. Individuals planning to provide products or services using Al that are utilized in high-risk fields shall notify users in advance that their products or services are based on Al utilized in high-risk fields (Article 27). Source (Korean): https://likms.assembly.go.kr/bil/billDetail.do?billid=PRC_H2X2J1V2M0Q1B0F9V2P9Q1E2D9T1Z2 		*Directly Tabled to Subcommittees pursuant to Article 58(4) of the National Assembly Act on December 15, 2022

3. Promulgated Bill(s)

4 Inf	Ministry of Land, frastructure and Transport	Act on the Promotion of Utilization and Support of Urban Air Mobility	 This Bill prescribes the matters necessary for the introduction and proliferation of urban air mobility (hereinafter "UAM") and establishes a framework to support its safe and efficient operation. It aims to promote and support the utilization of UAM, thereby contributing to the enhancement of the people's right to mobility and the development of the national economy. Main Content Requires the Minister of Land, Infrastructure and Transport to establish a master plan for UAM every five years, focusing on its introduction and proliferation, management of safe and efficient navigation, and the development of the UAM industry (Article 4). Authorizes the Minister of Land, Infrastructure and Transport to designate demonstration project zones for UAM after prior consultation with the heads of relevant central administrative agencies and relevant mayors/Do governors, as well as deliberation by the National Traffic Council, to facilitate the smooth execution of research and development, testing, and other UAM-related demonstrations (Article 6). Authorizes the Minister of Land, Infrastructure and Transport to designate individuals who intend to operate UAM-related demonstration projects within UAM demonstration project zones as UAM demonstration project operators (Article 7). Authorizes the Minister of Land, Infrastructure and Transport to designate pilot operation zones for UAM upon the application of mayors, Do governors, or heads of public institutions, following prior consultations with the heads of relevant central administrative agencies, heads of the public institutions, and relevant mayors/Do governors and after the deliberation by the National Traffic 	Partially Amended on October 24, 2023 Enforced on April 25, 2024

V. Authorizes the Minister of Land, Infrastructure and Transport to implement vertiport development projects. Stipulates matters related to permission procedures, authorization and permission regarding vertiport development projects, and designation of vertiports (Articles 9 to 12). VI. Stipulates the procedures for designating UAM business operators (Article 14). VII. Stipulates matters related to special cases on regulation and quick regulation checks regarding demonstration project zones and pilot operation zones for UAM (Articles 15, 16, and 19). VIII. Grants the Minister of Land, Infrastructure and Transport the authority to establish and operate a UAM information system and establish a UAM spatial data (Articles 17 and 18). IX. Stipulates the assessment of the Minister of Land, Infrastructure and Transport's operation of UAM pilot operation zones and the duty of UAM business operators within UAM pilot operation zones regarding obtaining insurance (Articles 20 and 21). X. Enables the State and local governments to provide the administrative, financial, or technical support necessary for institutions or project operators related to UAM or fund loans in accordance with financial laws aimed at the introduction and dissemination of UAM and the development of the UAM industry (Articles 22). XI. Stipulates matters related to supportive policies, expert training and management, international cooperation, and foreign market entry to promote the UAM industry (Articles 23 to 25).	No.	Competent Authority	Name of Bill	Content	Related Article (Korean)	Date
		Additionity		vertiport development projects. Stipulates matters related to permission procedures, authorization and permission regarding vertiport development projects, and designation of vertiports (Articles 9 to 12). VI. Stipulates the procedures for designating UAM business operators (Article 14). VII. Stipulates matters related to special cases on regulation and quick regulation checks regarding demonstration project zones and pilot operation zones for UAM (Articles 15, 16, and 19). VIII. Grants the Minister of Land, Infrastructure and Transport the authority to establish and operate a UAM information system and establish a UAM spatial data (Articles 17 and 18). IX. Stipulates the assessment of the Minister of Land, Infrastructure and Transport's operation of UAM pilot operation zones and the duty of UAM business operators within UAM pilot operation zones regarding obtaining insurance (Articles 20 and 21). X. Enables the State and local governments to provide the administrative, financial, or technical support necessary for institutions or project operators related to UAM or fund loans in accordance with financial laws aimed at the introduction and dissemination of UAM and the development of the UAM industry (Article 22). XI. Stipulates matters related to supportive policies, expert training and management, international cooperation, and foreign market entry to promote the UAM industry (Articles 23 to 25).		

4. Bill(s) Undergoing Pre-Announcement of Legislation/Administration

No.	Competent Authority	Name of Bill	Content	Related Article (Korean)	Notice Period
5	Personal Information Protection Commission	Partial Amendment to the Enforcement Decree of the Personal Information Protection Act	 Following the amendment to the Personal Information Protection Act (promulgated on March 14, 2023), which establishes the right to request personal information transmission (MyData) as a universal right, this Amendment aims to specify in detail the matters delegated by the Act. Its purpose is to ensure the smooth exercise of rights to request personal information transmission by data subjects. Moreover, this Amendment provides grounds for preventing the re-designation of inactive and non-performing data combination institutes that have no track record of combining pseudonymized information during the redesignation review. Main Content Standards for data transmitters (Article 42-2). Stipulates the scope of a data transmitter by distinguishing a data transmitter for the data subject (Article 35-2(1)), who transmits the personal data of the data subject to the data subject upon request, from a data transmitter for a third-party (Article 35-2(2)), who transmits personal information to a third party. Il. Standards for general receivers (Article 42-3). Requires general receivers who receive and verify personal information to equip facilities as specified by the Protection Commission, including systems for transmission requests, protective facilities, and technology to prevent illegal access and infringement accidents, and systems for recording and storing transmission details. 	https://news.mt.co. kr/mtview.php?no= 202404301427285 3081	May 1, 2024 - June 10, 2024

No.	Competent Authority	Name of Bill	Content	Related Article (Korean)	Notice Period
			 III. Provision on transmission requests (Articles 42-4 to 42-5). Stipulates the transmission information that data subjects may request by categorizing it into transmission information for the data subject and transmission information for a third party (Article 42-4). Specifies the matters, including the method for data subjects to request transmission of information, regular transmission requests, and regulations for the exclusion of the application of other laws (Article 42-5). IV. Provision of methods and procedures for transmission, rejection, and suspension of transmission (Articles 42-6 and 42-7). Prescribes matters related to prompt personal information transmission, application of transmission methods that guarantee safety and reliability, utilization of specialized intermediary agencies, procurement of unique identification information to confirm the identity of the data subject, storage of transmission information, notification of transmission details, etc. (Article 42-6). Prescribes the matters related to the grounds on which a data transmitter may refuse or suspend a transmitter request, the notification process for such refusals or suspensions, and the procedures for withdrawing a refusal (Article 42-7). 		

No.	Competent Authority	Name of Bill	Content	Related Article (Korean)	Notice Period
			 V. Provision of specialized personal information management organizations (Articles 42-8 to 42-11). Specifies tasks regarding specialized personal information management organizations delegated by the Act to the Enforcement Decree and prescribes the matters necessary for the classification of specialized personal information management organizations and the performance of tasks (Article 42-8). Specifies the detailed criteria for the designation requirements, procedures for designation and redesignation, significant changes, preliminary designation, validity period, etc., of specialized personal information management organizations (Article 42-9). Prescribes in detail the reasons for which the Protection Committee or relevant central administrative agencies may cancel the designation of specialized personal information management organizations, the cancellation procedures, and the follow-up measures to be taken in the event of cancellation (Article 42-10). Specifies acts that may infringe on personal information or restrict the rights of the data subject in accordance with the delegation of prohibited acts by specialized personal information management organizations by the Act to the Enforcement Decree (Article 42-11). 		

7/10	Competent Authority	Name of Bill	Content	Related Article (Korean)	Notice Period
			 VI. Management and supervision by the Protection Committee regarding the right to request transmission (Article 42-12). Specifies the management and supervision matters for data transmitters, general receivers, and specialized personal information management organizations, including ensuring the right to request personal information transmission. Stipulates that the Protection Committee may request a personal information controller to submit materials necessary for management and supervision. VII. Establishment and operation of data transmission support platform (Article 42-13). Stipulates matters necessary for the establishment and operation of a data transmission support platform, including platform registration procedures, submission of transmission history to the platform, linkage with the transmission support system, and notifications to the platform. VIII. Improvement of notification methods and procedures (Article 15-2(3)). Improves relevant provisions to allow for the notification of data transmission history to be combined with the "Notification of the Source of Personal Information Collection" (Article 20(2)) and "Notification of the Use and Provision of Personal Information" (Article 20-2(1)). 		

No.	Competent Authority	Name of Bill	Content	Related Article (Korean)	Notice Period
			 IX. Commission fee for transmission requests (Articles 47(4) and 47(5)). Enables data transmitters to charge a fee on behalf of the data subject to the recipient who requests the transmission of personal information. Requires the commission fee for the transmission of personal information to be calculated in accordance with the commission fee calculation standards set by the Protection Committee, considering the cost of necessary facilities construction, operating costs, and the characteristics of the target personal information. X. Delegation of tasks (Article 62(3)). Incorporates matters related to the right to request the transmission of personal information, as introduced by Article 68(1) of the amendment to the Act, into the existing provision on task delegation, thereby enabling the Protection Commission to delegate part of its authority. XI. Improvement to the standards for the designation and re-designation of data combination institutes (Articles 29-2(1) and 29-2(4)). Establishes grounds that enable the Protection Commission or the head of relevant central administrative agencies to determine the re-designation of a data combination institute every three years, based on the evaluation of their performance over the previous three years and future operation plans. 		

No.	Competent Authority	Name of Bill	Content	Related Article (Korean)	Notice Period
			 XII. Clarification of the grounds for the quarterly submission of self-combined management and supervision documents (Article 29-4(2)). Clarifies under the Enforcement Decree that the documents for managing and supervising data combination institutes shall be submitted "pursuant to the determination and notification of the Protection Committee." Source (Korean): https://opinion.lawmaking.go.kr/gcom/ogLmPp/77970		

Editorials and Columns on the Serious Accidents Punishment Act ("SAPA")

[The JoongAng] High Demand for "Safety Managers" with SAPA Enforcement Has Resulted in a 47% Increase in Number of Applicants Taking Industrial Safety Engineer Exams

https://www.joongang.co.kr/article/25244856

SUMMARY

Since the enforcement of the SAPA in 2022, there has been a notable increase in the number of applicants taking national technical qualification exams in the safety sector. According to statistics from the National Technical Qualification Examination administered by the Human Resources Development Service of Korea (HRDK) on April 24th, a total of 80,253 applicants took the written exam for Industrial Safety Engineer last year, marking a 47.3% increase compared to the previous year (54,500 applicants). The Construction Safety Engineer exam also saw an increase of 31.5% compared to the previous year, with a total of 34,908 applicants. In particular, there has been a significant increase in the number of female candidates who successfully passed the exams. In recent years, the number of female candidates who passed the final examination for Industrial Safety Engineer has remained at around 2,000, but last year, it recorded a significant increase to 4,358, more than double compared to the previous year. This is largely attributed to the increased demand for safety managers with the enforcement of the SAPA. Under the current law, any businesses with more than 50 permanent employees or construction projects exceeding KRW 5 billion are required to appoint safety managers. However, there is a growing sentiment in the industrial sector that there is a further need for practical manpower who can prepare for serious accidents, rather than just individuals who have obtained the qualifications.

[Maeil Business News] Police Decide Not to Indict Seongnam Mayor Shin Sang-jin for "Collapse of Jeongja Bridge in Bundang"

https://www.mk.co.kr/news/society/10999563



According to the investigative authorities on April 25th, the police, who have been investigating Mayor Shin Sang-jin on charges of violating the SAPA regarding the collapse of the Jeongja Bridge in Bundang, are expected not to indict Mayor Shin. The police have concluded that Mayor Shin, who serves as the head of the local government, does not bear responsibility for the management and inspection of the Jeongja Bridge. However, they remain open to investigating whether there are any public officials responsible for the collapse of the Jeongja Bridge.

[Money Today] Appellate Court Upholds First-Time Indictment of CEO Under SAPA in Seoul

https://news.mt.co.kr/mtview.php?no=2024042916252489301&outlink=1&ref=%3A%2F%2F

SUMMARY

On April 29th, the Criminal Appeal Division 50 of the Seoul Central District Court upheld the first-instance verdict, sentencing the CEO of a construction company to one-year imprisonment and two-year probation, and imposing a fine of KRW 50 million on the company for violating the SAPA. Both the CEO and the company were brought to trial on charges of failing to take basic safety measures, including fall protective facilities, regarding a case in which a subcontracted worker fell to his death during painting work at a new construction site in Seocho-gu, Seoul on March 25, 2022. It was found that the company neglected to appoint a successor to the site safety manager who had resigned four months before the accident, citing reasons such as the burden of labor costs. It was also revealed that the company had been fined dozens of times for violating the Occupational Safety and Health Act (OSHA), such as failing to install handrails in places that were prone to fall accidents. The first trial court sentenced him to probation, stating, "The court took into account that an amicable settlement had been reached with the bereaved family and their request to waive punishment." The appellate court upheld the first-instance verdict, recognizing the guilt of both the CEO and the company, stating, "The original trial verdict cannot be considered as having exceeded the reasonable scope of its discretion."

[The Chosun Ilbo] Prosecutors Investigate Chungbuk Governor Kim Young-hwan for Violating SAPA in Osong Underpass Tragedy

https://www.chosun.com/national/incident/2024/05/01/HL7EVZFNYZC4DN74N3V7OTM5ZM/

SUMMARY

Following Cheongju Mayor Lee Beom-seog, Chungbuk Governor Kim Young-hwan was summoned by the prosecution regarding the Osong underpass tragedy, which resulted in 14 fatalities. On the same day, the prosecution investigated whether Governor Kim, as the top official responsible for disaster and accident response in Chungbuk Province, had appropriately handled the disaster situation at the time of the Osong tragedy. It has been reported that particular attention is being given to confirming the reasons why Chungbuk Province, responsible for managing the underpass where the accident occurred, failed to take appropriate measures, such as road closures, despite receiving reports on flood risks. Prior to this, the bereaved families of the Osong underpass tragedy, along with civic associations, filed complaints with the prosecution against government officials, including Cheongju Mayor Lee, Chungbuk Governor Kim, and former Administrator of the National Agency for Administrative City Construction (NACC) Lee Sang-rae, on charges of violating the SAPA. Before Governor Kim, Cheongju Mayor Lee was the first to be summoned by the prosecution for investigation on April 26th, approximately nine months after the tragedy, as the head of the local government.

Attorneys and Experts

Legislation & Government **Relations Consulting Center:**



Dong Eon CHA Partner

T: +82 2 3016 8720 E: decha@draju.com



Min Jae PARK Co-Head of Center

T: +82 2 3016 8717 E: parkmj@draju.com



Hyung Seok YOON Attorney

T:+82 2 3016 7421 E: hsyoon@draju.com



Won Hyeok CHOI Attorney

T:+82 2 3016 8737 E: whchoi@draju.com



Gi Won KWON Co-Head of Center

T: +82 2 3016 8743 E:gwkwon@draju.com



Kye Hong KIM Senior Advisor

T:+82 2 3016 7493 E:kgh1509@draju.com

Legislation & Government Relations Consulting Center: Real Estate Team:



Seung Cheol LEE Senior Advisor

T: +82 2 3016 8706 E:sclee@draju.com

Construction &



Jae Ki JUN Partner

T:+82 2 3016 5378 E: jkjun@draju.com

Corporate Finance PG:



In Jin KIM Partner

T: +82 2 3016 8761 E: kij@draju.com

Administration Team:



Chang Hyun SONG Partner

T: +82 2 3016 5266 E: chsong@draju.com

Infrastructure & Technology Team:



Sang Bong LEE Partner

T: +82 2 3016 5276 E:sblee@draju.com

Corporate Litigation PG:



Soo Hyung KIM Partner

T: +82 2 3456 7677 E:shkim@draju.com

IP PG:



Jong Sun CHOI Partner

T: +82 2 3016 5288 E: jschoi@draju.com

Serious Accidents Advisory Group:



Young Kyu KIM Partner

