

ENFORCEMENT DECREE OF THE ACT ON THE CONTROL AND SUPERVISION ON NUCLEAR POWER SUPPLIERS, ETC. FOR THE PREVENTION OF CORRUPTION IN THE NUCLEAR POWER INDUSTRY

Presidential Decree No. 26362, jun. 30, 2015

Article 1 (Purpose)

The purpose of this Decree is to provide for matters delegated from the Act on Control and Supervision on Nuclear Power Suppliers, etc. for the Prevention of Corruption in the Nuclear Power Industry, and matters necessary for the enforcement of the aforesaid matters.

Article 2 (Scopes of Relevant Business Operators)

"Persons prescribed by Presidential Decree" in subparagraph 4 of Article 2 of the Act on Control and Supervision on Nuclear Power Suppliers, etc. for the Prevention of Corruption in the Nuclear Power Industry (hereinafter referred to as the "Act") means the following persons:

1. Korea Electric Power Corporation under the Korea Electric Power Corporation Act;
2. Institutions prescribed and announced by the Minister of Trade, Industry and Energy among the public institutions prescribed in Article 5 (4) of the Act on the Management of Public Institutions;
3. Corporations that have entered into a contract to supply goods or services or construction works with a public institution generating electricity by nuclear power.

Article 3 (Operation of Procedures, etc. concerning Quality Management of Goods, etc.)

(1) A nuclear power supplier shall prepare procedures for and methods of verifying whether a document certifying the performance of goods, services, construction works, etc. necessary for the construction and operation of a nuclear power plant specified as objects of quality assurance in a quality assurance plan under the Nuclear Safety Act pursuant to Article 6 (2) of the Act has been forged or modified, and periodically inspect whether the nuclear power plant is being operated in accordance with the quality assurance plan.

(2) Where a nuclear power supplier prepares procedures for and methods of verification pursuant to paragraph (1), he/she shall include methods, etc. of verifying whether the document has actually been issued by the institution authorized to issue the relevant document in the aforesaid procedures and methods.

(3) A nuclear power supplier shall record and manage the findings of inspection under paragraph (1).

Article 4 (Management of Nuclear Power Facilities)

"Matters necessary for the management of nuclear power facilities prescribed by Presidential Decree" in subparagraph 4 of Article 8 of the Act means the following requirements:

1. Where a nuclear power supplier performs maintenance in accordance with a maintenance plan for facilities subject to inspection to perform a regular inspection under Article 35 of the Enforcement Decree of the Nuclear Safety Act, he/she shall set the appropriate period of maintenance to ensure the safety of nuclear power facilities;
2. A nuclear power supplier shall prepare a security plan to prevent cyber threats to nuclear power facilities and data leak and periodically inspect the actual conditions of the operation thereof, and formulate and implement a plan for prevention of and recovery from cyber security incidents in accordance with the result of inspection;
3. A nuclear power supplier shall formulate and implement a plan to enhance the ability of maintenance of relevant business operators who perform maintenance tasks of nuclear power facilities;
4. A nuclear power supplier shall perform control and supervision by formulating a plan for the prevention of cyber threats and data leakage by relevant business operators supplying goods, etc. to nuclear power facilities.

Article 5 (Application to Public Institutions Generating Electricity by Nuclear Power)

@Articles 6, 7, and 9 of the Act shall apply to persons falling under subparagraphs 1 and 2 of Article 2 pursuant to Article 10 of the Act.

Article 6 (Cooperation among Public Institutions Generating Electricity by Nuclear Power)

- (1) Public institutions generating electricity by nuclear power shall establish and manage common business goals and objectives through consultation among them pursuant to Article 11 of the Act.
- (2) Public institutions generating electricity by nuclear power shall submit a report on common business goals and objectives to the Minister of Trade, Industry and Energy by the end of September every year. In such cases, the Minister of Trade, Industry and Energy may require them to revise common business goals and objectives in consideration of a business environment, policy direction, etc.
- (3) Public institutions generating electricity by nuclear power shall reflect common business goals and objectives prescribed in paragraph (1) in a proposal for contract made by the head of each institution, mid- and long-term business goals and objectives, a business performance report, etc. to be submitted pursuant to the Act on the Management of Public Institutions.
- (4) In addition to matters prescribed in paragraphs (1) through (3), other matters necessary for the formulation, implementation, submission, etc. of common business goals and objectives shall be prescribed and announced by the Minister of Trade, Industry and Energy.

Article 7 (Scope of Employees Subject to Property Registration)

"Employees prescribed by Presidential Decree" in Article 14 (1) of the Act means employees prescribed in Article 3 (4) 17 of the Enforcement Decree of the Public Service Ethics Act.

Article 8 (Restrictions on Collaborative Companies)

"Matters prescribed by Presidential Decree" in Article 18 (1) 5 of the Act means the following acts:

1. Where collaborative companies supply goods, etc. to a public institution generating electricity by nuclear power, colluding in important factors of a supply contract, such as prices, quality, quantities, and terms and conditions of business among collaborative companies, or colluding for a successful bid of a specific person or for the selection of a person eligible for delivery of goods before the bid;
2. Where collaborative companies supply goods, etc. to a public institution generating electricity by nuclear power, hiring subcontractors by a collaborative company, in violation of the regulations to restrict subcontracts (excluding the violation of obligations to notify of a subcontract) under the Framework Act on the Construction Industry, the Electrical Construction Business Act, the Information and Communications Construction Business Act, and other Acts and subordinate statutes, hiring subcontractors without obtaining approval from an institution that places an order, or altering the terms and conditions of a subcontract approved by an institution that places an order;
3. Harming a public institution generating electricity by nuclear power from the occurrence of cyber piracy and data leak accidents, as the result of violating security matters with which a collaborative company should comply while he/she enters into a contract with the public institution generating electricity by nuclear power.

Article 9 (Bid Restrictions, etc. against collaborative companies)

(1) Where a collaborative company performs an act falling under any of the subparagraphs of Article 18 (1) of the Act, a public institution generating electricity by nuclear power may take the following sanctions against the relevant collaborative company pursuant to Article 18 (2) of the Act:

1. Cancellation of registration;
2. Bid restrictions under standards prescribed in attached Table 1;
3. Where there is a contract related to a violation, the cancellation or termination of such contract.

(2) Where a public institution generating electricity by nuclear power restricts a collaborative company from bidding pursuant to paragraph (1), it shall immediately notify the Minister of Trade, Industry and Energy and other public institutions generating electricity by nuclear power of the details of such bid restrictions.

(3) Public institutions generating electricity by nuclear power that receive notification pursuant to paragraph (2) may restrict a collaborative company under bid restrictions pursuant to paragraph (1) from bidding in the contract for supply of goods, etc.

(4) Where a public institution generating electricity by nuclear power restricts a collaborative company from bidding pursuant to paragraphs (1) and (3), it shall not enter into a private contract with the collaborative company during the period of bid restrictions: Provided, That the foregoing shall not apply where there are reasons beyond its control, such as where no suitable person exists, other than the relevant collaborative company.

Article 10 (Procedures, etc. for formulation of Implementation Plan)

- (1) Each public institution generating electricity by nuclear power shall formulate an implementation plan (hereinafter referred to as "implementation plan") under Article 20 (1) of the Act every two years and submit it to the Minister of Trade, Industry and Energy.
- (2) Where a public institution generating electricity by nuclear power formulates an implementation plan or modifies any important matter in the implementation plan, it shall report the implementation plan formulated and important altered matter to its board of directors.
- (3) Each public institution generating electricity by nuclear power shall submit its business performance under an implementation plan to the Minister of Trade, Industry and Energy every year.
- (4) In addition to matters prescribed in paragraphs (1) through (3), other matters necessary for the formulation, implementation, etc. of an implementation plan shall be prescribed and announced by the Minister of Trade, Industry and Energy.

Article 11 (Inspection on Public Institutions Generating Electricity by Nuclear Power)

- (1) Where necessary to efficiently conduct inspection under Article 21 (1) of the Act, the Minister of Trade, Industry and Energy may request the heads of public institutions generating electricity by nuclear power to submit data necessary for inspection in advance.
- (2) The Minister of Trade, Industry and Energy shall disclose the results of inspection of public institutions generating electricity by nuclear power via the website, etc. of the Ministry of Trade, Industry and Energy pursuant to Article 21 (1) of the Act.
- (3) In addition to matters prescribed in paragraphs (1) and (2), other matters necessary for inspection of public institutions generating electricity by nuclear power shall be prescribed and announced by the Minister of Trade, Industry and Energy.

Article 12 (Persons Subject to Measures for Examination on Compliance with Obligations)

"Persons prescribed by Presidential Decree" in Article 22 (3) of the Act means the following persons:

1. Korea Radioactive Waste Agency under Article 18 of the Radioactive Waste Management Act;
2. Institutions verifying performance under subparagraph 4 of Article 15-3 of the Nuclear Safety Act;
3. Other institutions issuing or verifying quality documents certifying the performance of goods, etc. supplied to public institutions generating electricity by nuclear power.

Article 13 (Composition, Operation, etc. of Nuclear Power Industry Policy Council)

- (1) The Nuclear Power Industry Policy Council (hereinafter in this Article referred to as the "Policy Council") under Article 23 (1) of the Act shall be composed of up to 15 members, including one chairperson.
- (2) "Central administrative agencies prescribed by Presidential Decree" in Article 23 (2) of the Act means central administrative agencies which the chairperson of the Policy Council (hereinafter in this Article referred to as the "Chairperson") deems necessary for discussion on meeting agenda.
- (3) The Chairperson shall represent the Policy Council and preside over its affairs.

(4) Where the Chairperson is unable to perform his/her duties for reasons beyond his/her control, a member he/she has appointed in advance shall perform such duties on his/her behalf.

(5) The Policy Council shall have one administrative secretary to conduct its affairs, and he/she shall be appointed by the Minister of Trade, Industry and Energy from among the public officials under his/her jurisdiction.

(6) Where the Chairperson intends to convene a meeting, he/she shall advise each member of the time, venue, and agenda of the meeting seven days before he/she holds the meeting.

(7) The Policy Council shall hold a meeting when a majority of the incumbent members attend the meeting and pass resolutions with the concurrence of a majority of members present.

(8) Where the Chairperson deems it necessary to deliberate on an item on the agenda, he/she may require interested persons, such as public institutions generating electricity by nuclear power related to the relevant item on the agenda, or relevant experts to attend meetings of the Policy Council and present their opinions.

(9) In addition to matters prescribed in paragraphs (1) through (8), matters necessary for the operation of the Policy Council shall be determined by the Chairperson by a resolution of the Policy Council.

Article 14 (Submission, etc. of Reports and Documents)

"Persons prescribed by Presidential Decree" in Article 24 of the Act means the following persons:

1. Korea Radioactive Waste Agency prescribed in Article 18 of the Radioactive Waste Management Act;
2. Korea Atomic Energy Research Institute under the Act on the Establishment, Operation and Fostering of Government-Funded Science and Technology Research Institutes, Etc.;
3. Institutions verifying performance under subparagraph 4 of Article 15-3 of the Nuclear Safety Act;
4. Institutions that issue or verify quality documents certifying the performance of goods, etc. supplied to public institutions generating electricity by nuclear power;
5. Firms that have supplied goods, etc. to a collaborative company in relation to a contract by and between the public institution generating electricity by nuclear power and the collaborative company.

Article 15 (Standards for Imposing Penalty Surcharges)

Standards for imposing penalty surcharges based upon the types of violations, the degree of violation, etc. on which penalty surcharges are imposed pursuant to Article 27 (1) of the Act, shall be as specified in attached Table 2.

Article 16 (Imposition and Payment of Penalty Surcharges)

(1) Where the Minister of Trade, Industry and Energy imposes a penalty surcharge pursuant to Article 27 (1) of the Act, he/she shall give written notice of the imposition of the penalty surcharge, specifying the type of violation and the amount of the penalty surcharge.

(2) A person who receives notice pursuant to paragraph (1) shall pay a penalty surcharge to a receiving institution designated by the Minister of Trade, Industry and Energy within 30 days from the date on which he/she receives the notice: Provided, That where he/she is unable to pay the penalty surcharge due

to a natural disaster or a reason beyond his/her control within the aforesaid period, he/she shall pay the penalty surcharge within seven days from the date reason is resolved.

(3) A receiving institution in receipt of a penalty surcharge pursuant to paragraph (2) shall issue a receipt to a person who pays the penalty surcharge.

(4) Where a receiving institution receives a penalty surcharge pursuant to paragraph (2), it shall immediately notify the Minister of Trade, Industry and Energy of the fact.

(5) No penalty surcharge shall be paid in installments.

Article 17 (Additional Dues)

"Additional dues prescribed by Presidential Decree" in Article 28 (1) of the Act means the amounts classified as follows:

1. Where the period from the day after the deadline for payment of a penalty surcharge to the day before the date the penalty surcharge is paid (hereinafter in this Article referred to as "period of nonpayment") does not exceed 30 days: The amount calculated by multiplying the amount equivalent to 15/30,000 of the penalty surcharge by days in arrears;
2. Where the period of nonpayment exceeds 30 days but is less than 60 days: the amount calculated by adding additional dues for the initial 30 days (referring to the amount equivalent to 450/30,000 of the penalty surcharge) to additional dues for a period exceeding 30 days (referring to the amount calculated by multiplying the amount equivalent to 10/30,000 of the penalty surcharge by days in arrears exceeding 30 days);
3. Where the period of nonpayment is at least 60 days: The amount equivalent to 750/30,000 of the penalty surcharge.

ADDENDUM <Presidential Decree No. 26362, Jun. 30, 2015>

This Decree shall enter into force on July 1, 2015.