

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

Act No. 12932, Dec. 30, 2014

Article 1 (Purpose)

The purpose of this Act is create a sound foundation for the nuclear power industry by prescribing matters concerning obligations with which nuclear power suppliers, etc. should comply while engaging in business and the Government's control and supervision thereover.

Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows:

1. The term "nuclear power industry" means the industry related to the production of electricity using nuclear power plants; the design, construction, maintenance, dismantlement, or exportation of nuclear power plants, or the production and supply of nuclear fuel for nuclear power plants;
2. The term "nuclear power supplier" means a person who carries out the business of generating electricity using nuclear power plants among electricity generation business operators under subparagraph 4 of Article 2 of the Electric Utility Act;
3. The term "relevant business operator" means a person prescribed by Presidential Decree, who carries out all or part of the business of designing, constructing, maintaining, dismantling, or exporting nuclear power plants or the business of producing or supplying nuclear fuel for nuclear power plants;
4. The term "public institution generating electricity by nuclear power" means an institution designated as a public institution pursuant to the Act on the Management of Public Institutions among nuclear power suppliers and relevant business operators;
5. The term "collaborative company" means a person who supplies goods or services to public institutions generating electricity by nuclear power, or perform construction work under subcontract from public institutions generating electricity by nuclear power, who is a relevant business operator other than a public institution generating electricity by nuclear power.

Article 3 (Responsibilities and Duties of Government)

The Minister of Trade, Industry and Energy shall formulate and implement policies necessary to create a sound foundation for the nuclear power industry, and faithfully exercise control and supervision over nuclear power suppliers and relevant business operators (hereinafter referred to as "nuclear power

supplier, etc.") under this Act.

Article 4 (Responsibilities and Duties of Nuclear Power Suppliers, etc.)

Each nuclear power supplier, etc. shall comply with the principles of safety and transparency throughout the process of carrying out business, and reflect such principles in its business goals and objectives.

Article 5 (Relationship with Other Acts)

Except as otherwise expressly prescribed in other Acts, this Act shall apply to control and supervision over nuclear power suppliers, etc.: Provided, That in preference to this Act, the Nuclear Safety Act shall apply to matters concerning safety management relating to research, development, production, and use of nuclear energy.

Article 6 (Management of Purchase and Contracts)

(1) Each nuclear power supplier shall comply with the following requirements in the process of purchasing and entering into contracting for goods, services, construction, etc. (hereinafter referred to as "goods, etc.") necessary for the construction and operation of a nuclear power plant:

1. He/she shall create a foundation for fair competition concerning the supply of goods, etc. by operating a purchase and contract system in which a number of suppliers can compete, and minimizing private contracts;
2. He/she shall follow procedures in which information about the purchase of and contracts for goods, etc. may be transparently disclosed, and suppliers may raise an objection as to the result of the purchase or contract;
3. He/she shall operate a system that integrates and manage the history of the purchase of and contracts for goods, etc.;
4. He/she shall formulate and implement standards, procedures, methods, etc. for imposing sanctions against collaborative companies supplying goods, etc. by unlawful or unfair methods;
5. He/she shall formulate and implement a plan for stable supply and demand of goods, etc.;
6. He/she shall operate an independent organization exclusively in charge of the management of the purchase of and contracts for goods, etc. and have relevant professionals;
7. Other matters prescribed by Presidential Decree because such matters are deemed necessary to fairly and transparently manage the purchase of and contracts for goods, etc.

(2) Each nuclear power supplier shall follow procedures and a system for quality management of goods, etc. to comply with the Nuclear Safety Act and other standards prescribed by the Nuclear Safety and Security Commission, as prescribed by Presidential Decree. In such cases, procedures and methods for verifying whether a document certifying the performance of goods, etc. is forged or altered shall be included therein.

Article 7 (Organization and Human Resources Management)

(1) Each nuclear power supplier shall comply with the following requirements in the operation and management of an organization:

1. He/she shall operate the organization of an office in which affairs and functions of the organization are clearly allocated in accordance with responsibility and authority;
 2. He/she shall operate a system that continuously examines and supplements affairs and functions necessary for the safe construction and operation of a nuclear power plant;
 3. He/she shall operate a system for regular organization assessment of the organization and functions;
 4. He/she shall operate an educational and training system to raise awareness on safety and integrity of employees;
 5. Other matters prescribed by Presidential Decree deemed necessary for his/her transparent and sound operation and management of the organization.
- (2) Each nuclear power supplier shall comply with the following requirements in the recruitment of human resources and human resources management:

1. He/she shall formulate and implement a mid-term and long-term plan for supply and demand, and training, of human resources;
2. He/she shall conduct education and training for employees to secure expertise;
3. He/she shall operate a system for selecting talented people through the analysis of duties and employing outside experts;
4. He/she shall operate a human resource management system, including rotating job assignments, performance appraisal, promotion, etc., transparently and fairly;
5. He/she shall operate procedures and a system for strict disciplinary action and punishment against employees who commit offenses or irregularities in relation to their affairs;
6. Other matters prescribed by Presidential Decree because such matters are deemed necessary for the transparent and sound human resources management.

Article 8 (Management of Nuclear Power Facilities)

Each nuclear power supplier shall comply with the following requirements in the management of nuclear power facilities:

1. He/she shall formulate and implement a plan to secure transparency in the process of maintaining nuclear power facilities;
2. He/she shall operate a system that clarifies the scope of responsibility of an organization and employees in charge of the maintenance of nuclear power facilities; and supervises relevant business operators;
3. He/she shall formulate and implement a mid- and long-term plan for investment in main nuclear power facilities to comply with the Nuclear Safety Act and other standards prescribed by the Nuclear Safety and Security Commission;
4. Other matters necessary for the management of nuclear power facilities prescribed by Presidential Decree to comply with the Nuclear Safety Act and other standards prescribed by the Nuclear Safety and Security Commission, or to maintain the safety of nuclear power facilities, corresponding to the provisions of subparagraphs 1 through 3.

Article 9 (Communication with and Participation of People)

Each nuclear power supplier shall formulate and operate procedures and a system for the disclosure of information about, and participation in, the construction and operation of a nuclear power plant to secure people's trust in the construction and operation of the nuclear power plant.

Article 10 (Application to Public Institutions Generating Electricity by Nuclear Power)

The provisions of Articles 6, 7 and 9 shall also apply to public institutions generating electricity by nuclear power other than nuclear power suppliers, as prescribed by Presidential Decree.

Article 11 (Cooperation among Public Institutions Generating Electricity by Nuclear Power)

Public institutions generating electricity by nuclear power shall establish and manage common business goals and objectives to secure the transparency and soundness of the nuclear power industry and construct a mutual cooperation system to achieve the common business goals and objectives, as prescribed by Presidential Decree.

Article 12 (Responsibility among Public Institutions Generating Electricity by Nuclear Power)

(1) Public institutions generating electricity by nuclear power shall clearly formulate the details and scope of responsibility among them in carrying out their own business in relation to the construction and operation of a nuclear power plant.

(2) Where the Minister of Trade, Industry and Energy deems it necessary in relation to the formulation of the details and scope of responsibility under paragraph (1), he/she may take necessary measures, such as arbitration or mediation on responsibility among public institutions generating electricity by nuclear power, and they shall comply with such measures except in extenuating circumstances.

(3) Where the Minister of Trade, Industry and Energy formulates the details and scope of responsibility under paragraph (1) or takes necessary measures, such as arbitration or mediation, under paragraph (2), he/she shall immediately notify the Nuclear Safety and Security Commission of such action.

Article 13 (Ethical Code of Conduct)

(1) Each public institution generating electricity by nuclear power shall formulate and disclose an ethical code of conduct defining matters concerning its obligations to exercise ethics with which executives and employees of the relevant institution should comply.

(2) Executives and employees of each public institution generating electricity by nuclear power shall endeavor to ensure fairness and transparency in the performance of affairs, and comply with the ethical code of conduct prescribed in paragraph (1).

Article 14 (Registration of Property of Executives and Employees)

(1) Executives of public institutions generating electricity by nuclear power and employees prescribed by Presidential Decree shall register their property.

(2) Except as otherwise expressly prescribed in this Act in relation to the registration and disclosure of property of those obligated to register their property under paragraph (1), the Public Service Ethics Act shall apply to the registration and disclosure of their property.

Article 15 (Restrictions That Prohibit Executives and Employees from Getting Employment)

(1) No person obligated to register his/her property under Article 14 (1) shall be employed by an institution closely related to affairs of the department or the institution to which he/she belonged before his/her retirement, within three years from the date of retirement.

(2) Except as otherwise expressly prescribed in this Act in relation to restrictions on getting employment under paragraph (1), the Public Service Ethics Act shall apply to restrictions on getting employment.

Article 16 (Prohibition of Unfair Provision or Use of Information)

No executive or employee of a public institution generating electricity by nuclear power shall provide or use information about the construction and operation of a nuclear power plant for the purpose of pursuing personal interests or giving unfair preferential treatment to a specific person.

Article 17 (Prohibition of For-profit Business)

(1) No executive or employee of a public institution generating electricity by nuclear power shall engage in any of the following business for profit in addition to his/he duties:

1. Commerce, industry, financial business, or other business in which case it is clear for him/her to pursue monetary gain by conducting for-profit business for himself/herself;
2. Commerce, industry or financial business, or becoming a general partner with unlimited liability, general manager, promoter or other executive who conducts business of a director or auditor of a privately held company;
3. Other business prescribed by Presidential Decree, which aims to continuously profit from property.

(2) No executive or employee of a public institution generating electricity by nuclear power and no interested person under Article 4 (1) 2 and 3 of the Public Service Ethics Act, shall make investments in a privately held company, such as the acquisition and possession of shares of the relevant privately held company, closely related to duties of the relevant executive or employee.

(3) The head of a public institution generating electricity by nuclear power shall require a resolution for dismissal of or disciplinary action against an executive or employee who violates paragraphs (1) and (2).

Article 18 (Restrictions That Prohibit Collaborative Companies from Performing Acts)

(1) No collaborative company shall perform an act falling under any of the following:

1. Promising to give, giving or expressing its intention to give a bribe in the supply of goods, etc. to a public institution generating electricity by nuclear power;
2. Acquiring and using information about the construction and operation of a nuclear power plant by deception or other fraudulent means;
3. Forging or altering a document certifying the performance of goods, etc. supplied to nuclear power suppliers, etc.;
4. Employing a person who retired from a public institution generating electricity by nuclear power, who is prohibited from being employed pursuant to Article 15 (1);
5. Other matters prescribed by Presidential Decree, violating the transparency and soundness in the process of construction and operation of a nuclear power plant in the supply of goods, etc. to a public

institution generating electricity by nuclear power.

(2) Where a collaborative company performs any act falling under paragraph (1), a public institution generating electricity by nuclear power may apply sanctions against the relevant collaborative company, such as the cancellation of its registration or restrictions that prohibit it from bidding, as prescribed by Presidential Decree.

Article 19 (Ethical Audits)

(1) An auditor of a public institution generating electricity by nuclear power shall conduct regular or spot audits of the observance of obligations of executives and employees and collaborative companies under the provisions of Articles 13 through 18, and report the results of such audits to the Minister of Trade, Industry and Energy, and disclose the results thereof through its homepage, etc. in a transparent manner.

(2) Where the Minister of Trade, Industry and Energy deems it necessary for supervision under this Act, he/she may require the auditor of a public institution generating electricity by nuclear power to submit materials concerning his/her audit under paragraph (1) or to take necessary measures.

(3) The Minister of Trade, Industry and Energy shall notify the Nuclear Safety and Security Commission of the result of audit under paragraph (1) and the details of measures under paragraph (2).

Article 20 (Formulation of Operational Plan)

(1) Each public institution generating electricity by nuclear power shall formulate a plan including specific matters (hereinafter referred to as "operational plan") to comply with obligations under the provisions of Articles 6 through 9, as prescribed by Presidential Decree, and submit it to the Minister of Trade, Industry and Energy.

(2) The Minister of Trade, Industry and Energy may formulate guidelines concerning matters necessary for public institutions generating electricity by nuclear power to formulate an operational plan.

(3) Where the Minister of Trade, Industry and Energy deems an operational plan submitted pursuant to paragraph (1) inappropriate to comply with obligations under this Act, he/she may require the head of the relevant institution to alter an operational plan, and the head of the relevant institution shall comply with such request except in extenuating circumstances.

(4) The Minister of Trade, Industry and Energy shall notify the Nuclear Safety and Security Commission of an operational plan determined pursuant to paragraph (1) or (3), and immediately report the operational plan to the National Assembly.

(5) Necessary matters concerning procedures for formulating and methods of submitting an operational plan shall be prescribed by Presidential Decree.

Article 21 (Supervision over Implementation, etc.)

(1) The Minister of Trade, Industry and Energy shall supervise and inspect public institutions generating electricity by nuclear power on the following:

1. Matters concerning the achievement of common business goals and objectives under Article 11;
2. Matters concerning ethical audits under Article 19 (1);

3. Matters concerning the implementation of an operational plan.
- (2) The Minister of Trade, Industry and Energy shall disclose the result of inspection under paragraph (1), as prescribed by Presidential Decree.
- (3) The Minister of Trade, Industry and Energy may operate an inspection team composed of relevant experts, etc. to effectively conduct inspection under paragraph (1). In such cases, the inspection team shall be organized in an objective and fair manner, and no person who falls under Article 10 (1) 4 and 5 under the Act on the Establishment and Operation of the Nuclear Safety and Security Commission shall participate in the inspection team.
- (4) Where any matters that may have effect on the safety of a nuclear power plant is discovered in the process of supervision or inspection under paragraph (1), the Minister of Trade, Industry and Energy shall immediately notify the Nuclear Safety and Security Commission of such matters.
- (5) The Minister of Trade, Industry and Energy shall immediately notify the Nuclear Safety and Security Commission of the findings of inspection under paragraph (1), and where necessary, he/she shall provide the findings of inspection to the heads of relevant central administrative agencies, such as the Minister of Strategy and Finance.
- (6) Where the Minister of Trade, Industry and Energy deems it necessary as a result of inspection under paragraph (1), he/she may require the head of the relevant institution to take necessary measures.

Article 22 (Examination on Observance of Obligations)

- (1) The Minister of Trade, Industry and Energy may conduct examinations concerning the observance of obligations under this Act of public institutions generating electricity by nuclear power.
- (2) The Minister of Trade, Industry and Energy shall submit a report on the result of examination under paragraph (1) to the National Assembly before the National Assembly holds its regular session every year.
- (3) Where the Minister of Trade, Industry and Energy deems it necessary for examination under paragraph (1), he/she may require public institutions generating electricity by nuclear power, collaborative companies and other persons prescribed by Presidential Decree, who have a close relationship with public institutions generating electricity by nuclear power, to submit reports or data on their business and property, or take necessary measures, such as requiring public officials under his/her jurisdiction to access sites or examine documents.

Article 23 (Nuclear Power Industry Policy Council)

- (1) The Government may establish the Nuclear Power Industry Policy Council (hereinafter referred to as the "Policy Council") to discuss the following:
1. Matters concerning the inspection and improvement of the control and supervision system of the Government to create a sound foundation for the nuclear power industry;
 2. Matters concerning cooperation among relevant institutions necessary to resolve the impediments to transparency and soundness in the process of construction and operation of a nuclear power plant;
 3. Matters concerning cooperation among relevant institutions necessary to promote overseas export of nuclear power plants;

4. Other matters deemed necessary to create a sound foundation for the nuclear power industry.

(2) A person appointed by the Prime Minister, who is a public official at the level of vice minister in the Office for Government Policy Coordination, shall become the chairperson of the Policy Council, and persons designated by the head of each agency, who are high-ranking officials of the Office for Government Policy Coordination, the Ministry of Strategy and Finance, the Ministry of Science, ICT and Future Planning, the Ministry of Trade, Industry and Energy, and central administrative agencies prescribed by Presidential Decree shall become members of the Policy Council, and where the chairperson of the Board of Audit and Inspection of Korea or the chairperson of the Nuclear Safety and Security Commission deems it necessary, he/she may require public officials under his/her jurisdiction to participate in the Policy Council.

(3) Other matters necessary for the composition, operation, etc. of the Policy Council shall be prescribed by Presidential Decree.

Article 24 (Submission, etc. of Reports and Documents)

Where the Minister of Trade, Industry and Energy deems it necessary for the enforcement of this Act, he/she may require public institutions generating electricity by nuclear power, collaborative companies and other persons prescribed by Presidential Decree, closely related with public institutions generating electricity by nuclear power, to submit reports or data on their business and supplement documents submitted, and those who receive such request shall comply with the request except in extenuating circumstances.

Article 25 (Corrective Measures, etc.)

(1) Where the Minister of Trade, Industry and Energy deems that the head of a public institution generating electricity by nuclear power fails to comply with obligations under this Act, he/she may require the head of the relevant institution to take corrective measures.

(2) Where a public institution generating electricity by nuclear power fails to comply with a request under paragraph (1), Article 20 (3) or 21 (6), the Minister of Trade, Industry and Energy may recommend or require a person who has authority to appoint the head of the institution or its executive directors under Articles 25 and 26 of the Act on the Management of Public Institutions to dismiss the head of the institution or its executive directors.

(3) Where the Minister of Trade, Industry and Energy takes corrective measures under paragraphs (1) and (2), he/she shall immediately notify the Nuclear Safety and Security Commission of the details thereof.

Article 26 (Entrustment of Affairs)

Where the Minister of Trade, Industry and Energy deems it necessary for the enforcement of this Act, he/she may entrust some of affairs under this Act to a public institution under the Act on the Management of Public Institutions or a specialized institution related to the nuclear power industry prescribed by Presidential Decree.

Article 27 (Penalty Surcharges)

(1) Where a collaborative company performs an act falling under any of the subparagraphs of Article 18 (1), the Minister of Trade, Industry and Energy may impose a penalty surcharge not exceeding 500 million won (where the amount equivalent to three times the profit gained from an offense exceeds 500 million won, the amount equivalent to three times the profit) on the relevant collaborative company.

(2) Necessary matters concerning standards, procedures, etc. for imposition of penalty surcharges under paragraph (1) shall be prescribed by Presidential Decree.

Article 28 (Collection of Penalty Surcharges and Recovery of Unpaid Penalty Surcharges)

(1) Where a person liable to pay a penalty surcharge fails to pay it by the deadline for payment, the Minister of Trade, Industry and Energy may collect additional dues prescribed by Presidential Decree for a period from the day after the deadline for payment to the day before the date on which he/she pays it.

(2) Where a person liable to pay a penalty surcharge fails to pay it by the deadline for payment, the Minister of Trade, Industry and Energy may urge him/her to pay it within a fixed period, and where he/she fails to pay the penalty surcharge and additional dues under paragraph (1) by the fixed date, the Minister of Trade, Industry and Energy may collect the penalty surcharge and additional dues in the same manner as national taxes in arrears are collected.

(3) Necessary matters concerning the collection of penalty surcharges and procedures for recovery of unpaid penalty surcharges under paragraphs (1) and (2) shall be prescribed by Presidential Decree.

Article 29 (Legal Fiction as Public Officials in Application of Penal Provisions)

Where the provisions of Articles 129 through 132 of the Criminal Act are applied, executives and employees of public institutions generating electricity by nuclear power shall be deemed public officials.

Article 30 (Penal provisions)

(1) Any person who forges or alters a document certifying the performance of goods, etc. supplied to a nuclear power supplier, etc., in violation of Article 18 (1) 3, shall be punished by imprisonment with prison labor for not more than ten years or by a fine not exceeding 100 million won.

(2) Any person who falls under any of the following shall be punished by imprisonment with prison labor for not more than five years or by a fine not exceeding 50 million won:

1. An executive or employee of a public institution generating electricity by nuclear power who provides or uses information about the construction and operation of a nuclear power plant for the purpose of pursuing personal interests or giving unfair preferential treatment to a specific person, in violation of Article 16;

2. An executive or employee of a collaborative company who acquires property or profits from property by acquiring or using information about the construction and operation of a nuclear power plant by deception or by other fraudulent means, in violation of Article 18 (1) 2.

Article 31 (Aggravated Punishment)

(1) Where an executive or employee of a public institution generating electricity by nuclear power or a collaborative company commits a crime under Articles 129 through 133 of the Criminal Act in the purchase or trade of goods, etc. necessary for the construction and operation of a nuclear power plant,

his/her punishment may be aggravated by an extra half or less of his/her punishment imposed for the crime (including the punishment aggravated pursuant to the Act on the Aggravated Punishment, etc. of Specific Crimes).

(2) An executive or employee of a public institution generating electricity by nuclear power who commits a crime under Articles 129 through 133 of the Criminal Act in the purchase or trade of goods, etc. necessary for the construction and operation of a nuclear power plant may be punished by a fine not less than five times nor more than ten times the amount of a bribe taken along with the punishment imposed for the crime he/she has committed.

ADDENDUM

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

