

ACT ON SPECIAL MEASURES FOR STRENGTHENING THE COMPETITIVENESS OF, AND PROTECTING NATIONAL HIGH-TECH STRATEGIC INDUSTRIES

Act No. 18813, Feb. 3, 2022

Amended by Act No. 19205, Dec. 31, 2022

CHAPTER I GENERAL PROVISIONS

Article 1 (Purpose)

The purpose of this Act is to contribute to national and economic security and development of the national economy by establishing a sustainable foundation for growth of industries through the creation of innovative ecosystems of national high-tech strategic industries and the strengthening of their technological capabilities.

Article 2 (Definitions)

The terms used in this Act are defined as follows:

1. "National high-tech strategic technology" (hereinafter referred to as "strategic technology") means a technology designated pursuant to Article 11 as a technology which has great impact on the national and economic security, including the stabilization of supply chains and the nation's economic activities, such as export and employment, and has a significant ripple effect on related industries;
2. The term "national high-tech strategic industry" (hereinafter referred to as "strategic industry") means an industry for the research on and development or commercialization of strategic technologies, or for the production and commercialization of products and services based on strategic technologies;
3. The term "specialized complex for national high-tech strategic industry" means an area designated pursuant to Article 16 to ensure that educational, research, and industrial facilities related to strategic industries and strategic technologies (hereinafter referred to as "strategic industries, etc.") achieve an innovative ecosystem and facilitate investment and technology development;
4. The term "solidarity cooperation model" means a cooperation system established by at least two enterprises, institutions, or organizations related to strategic industries, etc. to revitalize the market and to strengthen industrial competitiveness.

Article 3 (Responsibilities of the State and Local Governments)

(1) The State and local governments shall recognize the importance of strategic industries, etc. in securing the national and economic security and strive to devise policy measures necessary for fostering and protecting strategic industries, etc.

(2) A business entity who possesses strategic technology or engages in related industries shall endeavor to create a foundation for research and development necessary for the development of strategic technology and to prevent the divulgence of strategic technology.

Article 4 (Relationship to Other Statutes)

(1) This Act shall prevail over other statutes with respect to the fostering of strategic industries, etc.: Provided, That if the application of any other statute is more favorable to the business entity engaging in strategic industries, etc., such Act shall apply.

(2) The Act on Prevention of Divulgence and Protection of Industrial Technology shall apply to the protective measures for strategic technology, except as otherwise provided in this Act.

CHAPTER II MASTER PLAN FOR FOSTERING AND PROTECTION OF STRATEGIC INDUSTRIES

Article 5 (Formulation of Master Plans for Fostering and Protection of Strategic Industries)

(1) The Government shall formulate a master plan for the fostering and protection of strategic industries, etc. (hereinafter referred to as "master plan") every five years for the systematic and sustainable fostering and protection of strategic industries, etc.

(2) A master plan shall include the following matters:

1. The basic direction of fostering and protecting strategic industries, etc.;
2. Matters regarding the trend of strategic industries, etc. and prospects for development;
3. Matters regarding the establishment and maintenance of systems for fostering and protecting strategic industries, etc.;
4. Matters regarding the creation of foundations and ecosystems for the fostering and protection of strategic industries, etc.;
5. Matters regarding enhancement of technological capabilities of strategic industries, a plan to designate specialized complexes, training and protection of specialized personnel, etc.;
6. Matters regarding the procurement and operation of necessary financial resources;
7. Other matters prescribed by Presidential Decree as matters related to the fostering and protection of strategic industries, etc.

(3) A master plan shall be formulated by the Minister of Trade, Industry and Energy by integrating the sector plans of relevant central administrative agencies and shall be finalized after deliberation by the

National High-Tech Strategic Industry Committee established under Article 9. The same shall also apply where a master plan is modified (excluding modification of minor matters prescribed by Presidential Decree).

(4) Other matters necessary to formulate and implement a master plan shall be prescribed by Presidential Decree.

Article 6 (Establishment of Implementation Plans for Fostering and Protection of Strategic Industries)

(1) The head of a relevant central administrative agency shall establish and implement an implementation plan for fostering and protection of strategic industries, etc. (hereinafter referred to as "implementation plan") every year in accordance with the master plan.

(2) The head of a relevant central administrative agency shall annually submit the results of the implementation of an implementation plan in the previous year and an implementation plan for the following year to the National High-Tech Strategic Industry Committee under Article 9.

(3) Other matters necessary for establishing and implementing an implementation plan shall be prescribed by Presidential Decree.

Article 7 (Surveys on Current Status of Strategic Industries and Forecasts of Development Prospects)

(1) The Government shall annually conduct surveys on economic, industrial, and international status of strategic industries, etc., forecast development prospects of those industries, and reflect the outcomes thereof in the establishment of a master plan and an implementation plan.

(2) Matters necessary for the survey on the current status and forecasts of development prospects under paragraph (1) shall be prescribed by Presidential Decree.

Article 8 (Preparation of Statistics Related to Strategic Industries)

(1) The Government may prepare and manage statistics on strategic industries, etc. for the creation of a foundation for fostering strategic industries, etc. and for the systematic establishment of a master plan and an implementation plan.

(2) The Statistics Act shall apply mutatis mutandis to the preparation of statistics under paragraph (1).

(3) The Government may have a relevant specialized institution perform the task of preparing and managing statistics under paragraph (1), as prescribed by Presidential Decree. In such cases, the expenses incurred in performing the relevant task may be fully or partially subsidized within the budget.

(4) Other matters necessary for the preparation and management of statistics under paragraph (1) shall be prescribed by Presidential Decree.

Article 9 (National High-Tech Strategic Industry Committee)

(1) A National High-Tech Strategic Industry Committee (hereinafter referred to as the "Committee") shall be established under the jurisdiction of the Prime Minister to deliberate and resolve on the following

matters regarding major policies and plans related to the fostering and protection of strategic industries, etc.: <Amended on Dec. 31, 2022>

1. Matters regarding the establishment and implementation of a master plan and an implementation plan, and inspection and evaluation of the results of implementation thereof;
 2. Matters regarding recommendations for improvement of relevant statutes or regulations necessary for fostering and protecting strategic industries, etc.;
 3. Matters the designation, change, and cancellation of designation, regarding of strategic technology;
 4. Matters regarding creation, designation, cancellation of designation, of a specialized complex for strategic industries, and support therefor;
 5. Matters regarding special cases regarding the fostering and protection of strategic industries, etc. of the relevant central administrative agencies and local governments;
 6. Matters regarding grievance settlement related to fostering and protecting strategic industries, etc.;
 7. Matters regarding the selection of and support for a solidarity cooperation model among enterprises, institutions, or organizations related to strategic industries;
 8. Matters regarding adjustment for the stabilization of emergency supply of and demand for items related to strategic technology;
 9. Matters regarding designation of specialized personnel, etc. in strategic technology;
 10. Matters regarding support for persons with strategic technologies (hereinafter referred to as "strategic technology holder");
 11. Other matters that the chairperson deems necessary in relation to fostering and protecting strategic industries, etc.
- (2) The Committee shall consist of up to 20 members including one chairperson, the Prime Minister shall serve as the chairperson, and the following persons shall be its members:
1. The heads of the relevant central administrative agencies prescribed by Presidential Decree;
 2. Persons with extensive expertise and experience in fostering and protecting strategic industries, etc., who are commissioned by the chairperson from among persons engaged in industrial fields, academic fields, research institutes, etc.
- (3) The Committee shall have one executive secretary member, and the Minister of Trade, Industry and Energy shall serve as the executive secretary member.
- (4) To examine and coordinate matters regarding the designation, change, and cancellation of designation, of strategic technology in advance among matters deliberated and resolved on by the Committee, a High-Tech Strategic Technology Coordination Committee (hereinafter referred to as the "Technology Coordination Committee") shall be established in the Committee, and the Vice Minister for Science, Technology and Innovation of the Ministry of Science and ICT shall be the chairperson of the Technology Coordination Committee.
- (5) In order to examine and coordinate matters to be deliberated and resolved on in advance and to handle matters delegated by the Committee as prescribed by Presidential Decree, a specialized committee for

each field of strategic industries (hereinafter referred to as "specialized committee") may be established in the Committee.

(6) A specialized committee shall be composed of not more than 10 members, including one chairperson by field, and the chairperson of each specialized committee shall be commissioned by the chairperson of the Committee, upon the recommendation of the heads of relevant central administrative agencies.

(7) The Committee may, if necessary to perform its duties under paragraph (1), hear the opinions of relevant experts with professional knowledge and experience, or request relevant central administrative agencies, local governments, public institutions, research institutes, or other institutions and organizations to submit data or present opinions.

(8) Except as provided in paragraphs (1) through (7), matters necessary for the composition, operation, etc. of the Committee, Technology Coordination Committee, and a specialized committee shall be prescribed by Presidential Decree.

Article 10 (Adjustment for Emergency Supply and Demand Stabilization)

(1) Where there is a concern about disruption to the stable supply of and demand for strategic technology-related items and the smooth functioning of the industrial supply chain, and also a concern that national economic activities may be significantly hindered due to a natural disaster or sudden changes in international trade conditions, etc., the Government may make any of the following adjustments for emergency supply and demand stabilization with respect to business entities handling the relevant strategic technology-related items, consumers thereof, persons engaged in import or export or transportation or storage thereof, or public institutions under Article 4 of the Act on the Management of Public Institutions (hereinafter referred to as "business entities, etc.") for a specified period not exceeding six months as prescribed by Presidential Decree (hereinafter referred to as "adjustment for supply and demand stabilization"):

1. Establishment, implementation, and amendment of production plans;
2. Establishment, implementation, and amendment of supply plans, including preferential domestic supply;
3. Transportation, storage, stockpile, or transfer;
4. Maintenance of logistics and distribution structure, and improvement and expansion of relevant facilities for supply and demand;
5. Demonstration and performance verification of substitute items;
6. Other matters deemed necessary by the Committee for the emergency supply and demand stabilization.

(2) When the Government intends to make adjustment for supply and demand stabilization, it shall do so after deliberation by the Committee and the State Council, and when it deems that the grounds for the adjustment for supply and demand stabilization cease to exist, it shall cancel the adjustment without delay.

(3) Where necessary according to the adjustment for supply and demand stabilization, the Government may request the heads of local governments and business entities, etc. to submit data, state opinions or hold consultations on the adjustment for supply and demand stabilization. In such cases, a person requested shall comply with such request, unless there is good cause, such as matters requiring confidentiality for national defense or national and economic security.

(4) The Government, public institutions (referring to public institutions under Article 4 of the Act on the Management of Public Institutions; hereinafter the same shall apply), and other institutions prescribed by Presidential Decree, where there is a concern about possible interference with the development of the national economy, economic security, or national economy or it is necessary to protect the business activities of an enterprise, such as trade secrets (referring to trade secrets defined in subparagraph 2 of Article 2 of the Unfair Competition Prevention and Trade Secret Protection Act) need not disclose information on data referred to in paragraph (3), notwithstanding the Official Information Disclosure Act or the Act on Promotion of the Provision and Use of Public Data.

(5) No person shall engage in any of the following acts with respect to data and information acquired pursuant to paragraph (3):

1. Acquiring, using, or disclosing data and information by improper means (including informing specific people while maintaining confidentiality; hereafter in this Article and Article 15 the same shall apply);
2. Divulging data and information, using or disclosing such divulged data and information, or causing a third party to use such data and information for the purpose of obtaining any improper benefit or causing damage to a relevant enterprise or target institution;
3. Acquiring, using, or disclosing the data and information knowing that an act falling under subparagraph 1 or 2 has been involved;
4. Acquiring, using, or disclosing the data and information without knowing the fact that the act falling under subparagraph 1 or 2 has been involved by gross negligence;
5. Where a person who has received data and information through a legitimate channel prescribed by Presidential Decree, such as related litigation, uses or discloses the data and information for purposes other than the purpose for which it has been provided.

(6) Matters necessary for the methods and procedures for submitting data under paragraph (3) shall be prescribed by Presidential Decree.

CHAPTER III DESIGNATION AND MANAGEMENT OF NATIONAL HIGH-TECH STRATEGIC TECHNOLOGY

Article 11 (Designation, Change, and Cancellation of Designation, of Strategic Technology)

(1) The Minister of Trade, Industry and Energy may designate strategic technologies after deliberation by the Technology Coordination Committee and deliberation and resolution by the Committee. In such cases, the following requirements shall be comprehensively considered:

1. Effects of the relevant technology on industrial supply chains, and the national and economic security;
2. Potential for growth and the level of sophistication of the relevant technology;
3. Ripple effects on other industries of the relevant technology;
4. Industrial importance of the relevant technology;
5. Effects of the relevant technology on the national economy, such as export and employment;
6. Other matters prescribed by Presidential Decree.

(2) If the Minister of Trade, Industry and Energy deems it necessary to change the scope or content of a strategic technology or to cancel the designation, the Minister may do so after deliberation by the Technology Coordination Committee and deliberation and resolution by the Committee.

(3) Where the Minister of Trade, Industry and Energy designates a strategic technology pursuant to paragraph (1), or changes the scope or details of a strategic technology or cancel the designation thereof pursuant to paragraph (2), the Minister shall publicly notify such fact.

(4) The Minister of Trade, Industry and Energy may request the head of a relevant central administrative agency, the head of a local government, and the head of a public institution to submit necessary data for the designation, change, or cancellation of designation, of strategic technologies under paragraphs (1) and (2). In such cases, the head of the organization upon receiving the request shall comply therewith unless there is a compelling reason not to do so.

(5) A person who wishes to obtain a determination of whether his or her technology constitutes a strategic technology may apply to the Minister of Trade, Industry and Energy for the determination, as prescribed by presidential decree.

(6) The Minister of Trade, Industry and Energy may, if deemed necessary for the protection and management of strategic technologies, advise the holder of such technologies to make an application under paragraph (5).

(7) If a strategic technology is designated, changed, or the designation of which is cancelled pursuant to paragraphs (1) and (2), it shall be deemed to be designated as national core technology or such designation shall be deemed to be changed, or cancelled pursuant to Article 9 of the Act on Prevention of Divulgence and Protection of Industrial Technology.

(8) Other matters necessary to designate, change, and cancel the designation, of strategic technologies shall be prescribed by Presidential Decree.

Article 12 (Approval for Export of Strategic Technology)

(1) If a strategic technology holder wishes to export its strategic technology by selling or transferring it to a foreign enterprise, etc. (hereinafter referred to as "export of strategic technology"), it shall obtain the

approval of the Minister of Trade, Industry and Energy. <Amended on Dec. 31, 2022>

(2) The Minister of Trade, Industry and Energy may approve an application for approval under paragraph (1) after examining ripple effects of the export of strategic technology on the national and economic security and national economy in consultation with the head of a relevant central administrative agency and after deliberation by the Industrial Technology Protection Committee under Article 7 of the Act on Prevention of Divulgence and Protection of Industrial Technology (hereinafter referred to as the "Industrial Technology Protection Committee").

(3) If the strategic technology approved under paragraph (1) is a technology under Article 19 (1) of the Foreign Trade Act, it shall be deemed to be permitted pursuant to paragraph (2) of that Article, and if it is a defense science and technology defined in subparagraph 2 of Article 2 of the Defense Science and Technology Innovation Promotion Act and defense materials under Article 34 of the Defense Acquisition Program Act, it shall be deemed to be permitted pursuant to Article 57 (2) of that Act. In such cases, the Minister of Trade, Industry and Energy shall have a prior consultation with the heads of relevant central administrative agencies.

(4) If a strategic technology holder has not received approval under paragraph (1) or has obtained approval by improper means and exported the strategic technology, the Minister of Trade, Industry and Energy may request the head of an intelligence investigation agency to conduct an investigation; report the results of the investigation to the Industrial Technology Protection Committee; and, after deliberation by the Industrial Technology Protection Committee, order measures such as suspension or prohibition of export, or restoration to the original state, of the strategic technology.

(5) If approval is granted pursuant to paragraph (1), approval for export of national core technology shall be deemed granted or report on such export deemed filed pursuant to Article 11 of the Act on Prevention of Divulgence and Protection of Industrial Technology.

(6) The provisions of the Act on Prevention of Divulgence and Protection of Industrial Technology shall apply mutatis mutandis to other procedures for approval for export, suspension or prohibition of export, and restoration to the original state, of strategic technologies.

Article 13 (Cross-Border Acquisitions and Mergers by Strategic Technology Holders)

(1) A strategic technology holder shall obtain the approval of the Minister of Trade, Industry, and Energy before proceeding with a foreign investment such as cross-border acquisition, merger, or joint venture prescribed by Presidential Decree (hereinafter referred to as "cross-border acquisition, merger, etc.").

(2) A strategic technology holder shall report to the Minister of Trade, Industry and Energy without delay if it becomes aware of cross-border acquisition, merger, etc. in progress by a foreigner prescribed by Presidential Decree (hereafter in this Article referred to as "foreigner").

(3) If the Minister of Trade, Industry and Energy receives a report from a strategic technology holder pursuant to paragraph (2), he or she may request the foreigner who intends to proceed with cross-border acquisition, merger, etc. to cooperate with the approval process under paragraph (1). In such cases, the

foreigner who receives the request shall comply with such request unless there is a compelling reason not to do so.

(4) Upon receipt of an application for approval under paragraph (1), the Minister of Trade, Industry and Energy may examine the impact of the cross-border acquisition, merger, etc. on national and economic security and approve it in consultation with the head of a relevant central administrative agency and after deliberation by the Industrial Technology Protection Committee. In such cases, the Minister of Trade, Industry and Energy may attach conditions to the approval.

(5) If the Minister of Trade, Industry and Energy determines that the divulgence of strategic technology due to cross-border acquisition, merger, etc. may seriously affect national or economic security, the Minister may order measures such as suspension, prohibition, or restoration to the original state, of the cross-border acquisition, merger, etc. in consultation with the head of the relevant central administrative agency and after deliberation by the Industrial Technology Protection Committee.

(6) A person who intends to proceed with cross-border acquisition, merger, etc. pursuant to paragraph (1) may apply to the Minister of Trade, Industry and Energy for a prior examination, as prescribed by Presidential Decree., if there is any doubt about the following matters in relation to such cross-border acquisition, merger, etc.:

1. Whether the relevant strategic technology is related to national or economic security;
2. Whether the relevant cross-border acquisition, merger, etc. are subject to approval under paragraph (1);
3. Other questionable matters regarding the relevant cross-border acquisition, merger, etc.

(7) If a strategic technology holder fails to obtain approval under paragraph (1) or proceeds with cross-border acquisition, merger, etc. after obtaining approval by fraud or other improper means, the Minister of Trade, Industry and Energy may request the head of an intelligence investigation agency to investigate, report the results of the investigation to the Industrial Technology Protection Committee, and, after deliberation by the Industrial Technology Protection Committee, order necessary measures such as suspension, prohibition, or restoration to the original state, of cross-border acquisition, merger, etc.

(8) If approval is granted pursuant to paragraph (1), approval for cross-border acquisition, merger, etc. by an institution possessing national core technology shall be deemed granted or report thereon shall be deemed filed pursuant to Article 11-2 of the Act on Prevention of Divulgence and Protection of Industrial Technology.

(9) The Act on Prevention of Divulgence and Protection of Industrial Technology shall apply mutatis mutandis to other procedures for approval, suspension, prohibition, and restoration to the original state, of cross-border acquisition, merger, etc.

Article 14 (Protective Measures for Strategic Technology)

(1) A strategic technology holder shall take the following measures to prevent the divulgence of strategic technology:

1. Designating protection zones, implementing access control systems, or inspecting personal belongings upon access;
 2. Entering into agreements regarding turnover management and confidentiality of personnel handling strategic technologies;
 3. Other matters prescribed by Presidential Decree to prevent divulgence of strategic technology.
- (2) A strategic technology holder may request the Minister of Trade, Industry and Energy to designate positions and specialized personnel that handling strategic technologies (hereinafter referred to as "specialized personnel, etc."). In such cases, the Minister of Trade, Industry and Energy may designate specialized personnel, etc. after deliberation by the Committee.
- (3) The Government shall prepare support measures to promote the long-term service, career development, and domestic utilization of specialized personnel, etc. designated under paragraph (2), and may subsidize part of the expenses required for this.
- (4) A strategic technology holder who has employees designated as specialized personnel, etc. under paragraph (2) may enter into a contract with specialized personnel that includes the following terms and conditions:
1. Restriction on transferring to the same type of overseas business and the period of such restriction;
 2. Prevention of divulgence of confidential information related to strategic technology;
 3. Other matters prescribed by Presidential Decree, such as providing information about re-employment after retirement.
- (5) A strategic technology holder who has employees designated as specialized personnel pursuant to paragraph (2) may request the Minister of Trade, Industry and Energy to provide immigration information of such specialized personnel in any of the following cases:
1. Where specialized personnel in strategic technology give consent;
 2. Where there is a serious concern over the divulgence of any strategic technology to outside of the Republic of Korea;
 3. Other cases prescribed by Presidential Decree to prevent the divulgence of any strategic technology to outside of the Republic of Korea.
- (6) The Minister of Trade, Industry and Energy may request the Minister of Justice to provide the immigration information of such specialized personnel for the purpose of providing it to the person making the request under paragraph (5). In such cases, the Minister of Justice shall provide the relevant information unless there is a compelling reason not to do so.
- (7) Details concerning procedures for the designation of specialized personnel, etc. under paragraph (2) and contracts, etc. under paragraph (4) shall be prescribed by Presidential Decree.

Article 15 (Prohibition of Divulgence of Strategic Technology and Acts of Infringement)

No person shall engage in any of the following activities:

1. Acquiring the strategic technology of any institution possessing strategic technology by theft, fraud, threat, or other improper means or using or disclosing the acquired strategic technology;
2. Divulging strategic technology or using or disclosing the divulged strategic technology, or causing a third party to use the strategic technology, for the purpose of obtaining unfair profits or causing losses to an institution possessing strategic technology by a person who has a duty to maintain confidentiality of strategic technology in accordance with a contract with the strategic technology holder under Article 14 or under Article 34 of the Act on Prevention of Divulgence and Protection of Industrial Technology;
3. Acquiring, using, and disclosing strategic technology knowing that acts falling under subparagraph 1 or 2 are involved, or using or disclosing strategic technology after acquiring such technology knowing that acts falling under subparagraph 1 or 2 are involved;
4. Acquiring, using, and disclosing the strategic technology without knowing by gross negligence that the acts falling under subparagraph 1 or 2 are involved, or using or disclosing the strategic technology without knowing by gross negligence that the acts falling under subparagraph 1 or 2 are involved after acquiring the strategic technology;
5. Exporting strategic technology without obtaining approval under Article 12 (1) or after obtaining approval by improper means;
6. Engaging in cross-border acquisitions, mergers, etc. without obtaining approval under Article 13 (1) or after obtaining approval by fraud or other improper means for the purpose of using or causing to be used strategic technology in a foreign country;
7. Refusing to comply with or evading a request by the strategic technology holder to return documents, drawings, electronic records, etc. related to the strategic technology or to delete the strategic technology due to the lapse of the right to retain or use the strategic technology, or retaining copies thereof, by a person who has a duty to maintain the confidentiality of a strategic technology pursuant to a contract with a strategic technology holder under Article 14 or Article 34 of the Act on Prevention of Divulgence and Protection of Industrial Technology for the purpose of obtaining unfair profits or causing damage to the holder;
8. Using or disclosing information containing strategic technology for purposes other than those for which the information was provided by the person to whom the information was provided through the legitimate channels prescribed by Presidential Decree, including litigation related to strategic technologies.

CHAPTER IV DESIGNATION OF SPECIALIZED COMPLEXES FOR STRATEGIC INDUSTRIES AND SPECIAL CASES

Article 16 (Designation of Specialized Complexes for Strategic Industries)

(1) The Minister of Trade, Industry and Energy may designate the following areas as a specialized complex for strategic industries (hereinafter referred to as “specialized complex”) after deliberation and resolution by the Committee to promote innovative development of strategic industries, etc. and to create an industrial ecosystem; in such cases, the designation shall be made upon receipt of an application, as prescribed by Presidential Decree, and consultation with the head of the relevant central administrative agency or local government shall be held:

1. An area business entities operating strategic industries, etc. and their supporting facilities collectively occupy or intend to occupy;
2. An area where an enterprise pursuing investment related to strategic industries, etc. or projects related to technology development is located or wishes to relocate to or invest in, according to the criteria prescribed by Presidential Decree;
3. Other areas prescribed by Presidential Decree as specialized complexes where the necessity for the designation is recognized.

(2) Any person who designates and develops a specialized complex pursuant to paragraph (1) shall comply with the Industrial Sites and Development Act, the Act on Special Cases concerning the Simplification of Authorization and Permission Procedures for Industrial Complexes, and the Industrial Cluster Development and Factory Establishment Act. In such cases, where the Minister of Trade, Industry and Energy deems it necessary to swiftly create a specialized complex, the Minister may decide the target area and request the Minister of Land, Infrastructure and Transport to designate a national industrial complex under Article 6 (1) of the Industrial Sites and Development Act, and the Minister of Land, Infrastructure and Transport upon receipt of such request shall endeavor to ensure that the designation of the national industrial complex is promoted preferentially. <Amended on Dec. 31, 2022>

(3) In designating a specialized complex pursuant to paragraph (1), the Minister of Trade, Industry and Energy shall preferentially consider any of the following areas: <Amended on Dec. 31, 2022>

1. An area outside the Seoul Metropolitan area defined in subparagraph 1 of Article 2 of the Seoul Metropolitan Area Readjustment Planning Act;
2. An area referred to in paragraph (1) 1.

(4) Other matters necessary for designation, such as the requirements for designation of specialized complexes shall be prescribed by Presidential Decree.

Article 17 (Cancellation of Designation of Specialized Complexes)

(1) The Minister of Trade, Industry and Energy may cancel the designation of a specialized complex, subject to deliberation and resolution by the Committee, in any of the following cases; in such cases, the Minister shall have a consultation with the heads of relevant central administrative agencies and the local governments having jurisdiction over the specialized complex:

1. Where the specialized complex fails to meet the requirements for designation under Article 16 (1) and (4);

2. Where a subsidy granted under Article 20 (1) or 21 (1) is used for purposes other than the original purpose;
 3. If it is deemed that the purpose of designation of a specialized complex cannot be achieved;
 4. Where the competent Special Metropolitan City Mayor, Metropolitan City Mayor, Special Self-Governing City Mayor, Do Governor, or Special Self-Governing Province Governor (hereinafter referred to as a "Mayor/Do Governor") requests cancellation.
- (2) Other matters necessary for the cancellation of the designation of a specialized complex shall be prescribed by Presidential Decree.

Article 18 (Policy Measures for Fostering Specialized Complexes)

- (1) The Government may implement policy measures for fostering specialized complexes (hereinafter referred to as "policy measures for fostering specialized complexes") for the innovative development of strategic industries, etc.
- (2) The policy measures for fostering specialized complexes shall include the following:
1. Matters regarding basic direction for fostering specialized complexes;
 2. Matters regarding the establishment of industrial infrastructure for promoting specialized complexes and strategic industries;
 3. Matters regarding support for research and development activities of universities, research institutes, and enterprises in specialized complexes;
 4. Matters regarding facilitating the application for and the management, and commercialization of intellectual property rights derived from the outcomes of research and development by universities, research institutes, and enterprises in specialized complexes;
 5. Matters regarding training of specialized personnel, etc. in universities, research institutes, and enterprises in specialized complexes;
 6. Matters regarding invigorating exchange and cooperation among universities, research institutes, and enterprises in and out of specialized complexes;
 7. Matters regarding systematic development of specialized complexes and financing plans;
 8. Matters regarding plans for solidarity and cooperation among enterprises and institutions taking occupancy in specialized complexes;
 9. Other matters prescribed by Presidential Decree for fostering specialized complexes.
- (3) When establishing or changing policy measures for fostering specialized complexes, consultation with the heads of relevant central administrative agencies and the relevant Mayor/Do Governor is required.
- (4) The relevant Mayor/Do Governor shall prepare measures to provide support with location, taxation, finance, administration, etc. for efficiently implementing policy measures for fostering specialized complexes.

Article 19 (Special Cases concerning Expedited Processing of Authorization or Permission under Other Statutes)

(1) Where there is a risk of significant hindrance to the creation and operation of the specialized complex due to delays in the following consultation, approval, authorization, permission, etc. (hereinafter referred to as "authorization, permission, etc."), a project implementer that creates a specialized complex pursuant to Article 16 (2) (hereinafter referred to as "project implementer") may apply to the Minister of Trade, Industry and Energy for expedited processing of the relevant authorization, permission, etc.:

1. Consultation with or approval by the head of a relevant administrative agency concerning matters of deemed authorization, permission, etc. under Article 21 of the Industrial Sites and Development Act;
2. Consultation with the head of a relevant administrative agency on matters of deemed authorization, permission, etc. under Article 13-2 of the Industrial Cluster Development and Factory Establishment Act;
3. Permission to occupy and use roads under Article 18 of the Act on the Maintenance and Improvement of Road Networks in Agricultural and Fishing Villages;
4. Consultation on a development project under Article 8 of the Act on Protection and Inspection of Buried Cultural Heritage;
5. Other matters prescribed by Presidential Decree for the creation of a specialized complex.

(2) Upon receipt of an application under paragraph (1), the Minister of Trade, Industry and Energy may request the head of the administrative agency with the authority to grant the relevant authorization, permission, etc. (hereinafter referred to as the "authorizing and permitting authority") to provide expedited processing of authorization, permission, etc. after deliberation and resolution by the Committee. In such cases, the relevant application shall undergo deliberation by the Committee after hearing the opinion of the authorizing and permitting authority; and, the authorizing and permitting authority shall process such authorization, permission, etc. without delay unless there is a compelling reason prescribed by Presidential Decree not to do so. <Amended on Dec. 31, 2022>

(3) An authorizing and permitting authority that receives a request under paragraph (2) shall submit a plan for processing the authorization, permission, etc. in reply to the Minister of Trade, Industry and Energy within 15 days and if the authorizing and permitting authority requests the project implementer to supplement data in order to establish a plan for processing the authorization, permission, etc., the period of time taken to supplement the relevant data shall not be counted in the reply period under paragraph (3): Provided, That even in such cases, a processing plan shall be submitted in reply within 30 days.

(4) An authorizing and permitting authority who has submitted a processing plan pursuant to paragraph (3) shall notify the project implementer of the result of processing the authorization, permission, etc. within 15 days from the date the plan is submitted: Provided, That if any unavoidable ground for extension occurs in the course of processing authorization, permission, etc., a request for extension may be made once within 15 days. <Amended on Dec. 31, 2022>

(5) Where an authorizing and permitting authority fails to submit to the Minister of Trade, Industry and Energy the plan for processing authorization, permission, etc. in reply within the processing period referred to in paragraph (3), or fails to notify the project implementer of the results of processing authorization, permission, etc. within the processing period referred to in paragraph (4), the processing of authorization, permission, etc. shall be deemed completed on the date 60 days after the request under paragraph (2) is made. *<Newly Inserted on Dec. 31, 2022>*

(6) Other matters necessary for deliberation and resolution on expedited processing of authorization, permission, etc. shall be prescribed by Presidential Decree. *<Amended on Dec. 31, 2022>*

Article 20 (Support for Creation and Operation of Specialized Complexes)

(1) The State or a local government shall preferentially subsidize all or part of the expenses to be incurred in connection with the following necessary for the creation and operation of a specialized complex: *<Amended on Dec. 31, 2022>*

1. Industrial infrastructure prescribed by Presidential Decree (including dual facilities to prepare for accidents, such as natural disasters) and infrastructure for joint research and development for the efficient operation of the specialized complex;

2. Other matters prescribed by Presidential Decree for the operation of the specialized complex.

(2) The State or a local government and a person who supplies infrastructure may prioritize providing support for industrial infrastructure referred to in paragraph (1) 1.

(3) The State or local governments shall provide administrative support necessary for authorization, permission, approval, etc. in connection with the installation of industrial infrastructure under paragraph (1) 1, as prescribed by Presidential Decree.

(4) For the purpose of supporting the operation of specialized complexes, a support council in which relevant central administrative agencies, local governments, public institutions, enterprises, etc. participate, may be organized.

(5) The Government shall endeavor to ensure that the support under paragraph (1) is provided to specialized complexes designated in an area falling under any subparagraph of Article 16 (3). *<Amended on Dec. 31, 2022>*

(6) Other matters necessary for the operation of specialized complexes shall be prescribed by Presidential Decree.

Article 21 (Support for Institutions Taking Occupancy in Specialized Complex)

(1) The State or local governments may preferentially subsidize all or some of the following expenses to be incurred by institutions taking occupancy in , after deliberation and resolution by the Committee: *<Amended on Dec. 31, 2022>*

1. Expenses incurred in investing in infrastructure, such as in facilities and research facilities related to strategic industries, etc.;

2. Other expenses prescribed by Presidential Decree to support institutions taking occupancy in a specialized complex.
- (2) Notwithstanding the State Property Act, the Public Property and Commodity Management Act, and other statutes, the State and local governments may fully or partially reduce or exempt from usage fees or loans for State or public property institutions taking occupancy in a specialized complex from , as prescribed by Presidential Decree.
- (3) Notwithstanding Articles 18 (1), 35 (1), and 46 (1) of the State Property Act, and Articles 13, 21 (1), and 31 (1) of the Public Property and Commodity Management Act, institutions taking occupancy in a specialized complex may be given a period of lease of State and public property of not more than 20 years, and may be allowed to build permanent facilities thereon. In such cases, a condition that such facilities shall be donated to the State or local governments or restored to the original state at the time of termination of the period of lease may be attached to the lease in consideration of the type, etc. of the relevant facilities.
- (4) Any person who intends to renew or extend a lease contract under paragraph (3) shall apply for the renewal or extension of the lease period to the head of the competent administrative agency at least three months prior to the expiration of the lease period, as prescribed by Presidential Decree.
- (5) Any of the following entities may provide credit guarantees on a priority basis to facilitate the procurement of necessary funds by the institutions taking occupancy in a specialized complex:
1. Korea Credit Guarantee Fund under the Korea Credit Guarantee Fund Act;
 2. The Korea Technology Finance Corporation established under the Korea Technology Finance Corporation Act.
- (6) Where an institution taking occupancy in a specialized complex undergoes deliberation under Article 8 of the Industrial Convergence Promotion Act or Article 10 of the Special Act on the Corporate Revitalization, the Minister of Trade, Industry and Energy may preferentially deliberate on such institution.
- (7) Support under paragraphs (1) through (5) shall be limited to where an institution taking occupancy in a specialized complex is a small and medium enterprise under Article 2 of the Framework Act on Small and Medium Enterprises (hereinafter referred to as "small and medium enterprise"), a middle-standing enterprise defined in Article 2 of the Special Act on the Promotion of Growth and the Strengthening of Competitiveness of Middle-Standing Enterprises (hereinafter referred to as "middle-standing enterprise"), or a research institute: Provided, That the entities eligible for support may be determined otherwise through deliberation and resolution by the Committee.
- (8) Other matters necessary for the support for institutions taking occupancy in a specialized complex shall be prescribed by Presidential Decree.

Article 22 (Special Cases concerning Reduction of, or Exemption from, Charges)

Where necessary to foster strategic industries, etc. in a specialized complex, the State or local governments may reduce or exempt the following charges for institutions taking occupancy in the specialized complex (limited to small and medium enterprises or middle-standing enterprises) and project implementers:

1. Development charges under the Restitution of Development Gains Act;
2. Farmland preservation charges under the Farmland Act;
3. Charges on intercity transport facilities under the Special Act on the Management of Intercity Transport in Metropolitan Areas;
4. Costs incurred in creating substitute grassland under the Grassland Act;
5. Costs incurred in creating forest replacement resources under the Mountainous Districts Management Act;
6. Other charges prescribed by Presidential Decree.

Article 23 (Special Cases concerning Expedited Processing of Civil Petitions)

Where an institution taking occupancy in a specialized complex files any of the following civil petitions related to strategic technology, the head of a central administrative agency in charge of the relevant affairs shall process the relevant matter expeditedly in accordance with the relevant statutes or regulations, and may provide necessary administrative and financial support:

1. Examination of plans for the prevention and management of chemical accidents submitted under Article 23 of the Chemicals Substances Control Act and notification of the results thereof;
2. Registration under Article 10 of the Act on Registration and Evaluation of Chemical Substances or confirmation of exemption from registration under Article 11 of that Act;
3. Processing of an investigative report on hazards and dangers submitted under Article 108 of the Occupational Safety and Health Act;
4. Review of process-safety reports submitted under Article 44 of the Occupational Safety and Health Act;
5. Other civil petitions prescribed by Presidential Decree with regard to the research and development, investment, production of products, etc. related to strategic technology of enterprises taking occupancy in a specialized complex.

CHAPTER V SUPPORT FOR INNOVATIVE DEVELOPMENT OF STRATEGIC INDUSTRIES AND ESTABLISHMENT OF FOUNDATION

Article 24 (Support for Innovative Development of Small and Medium Enterprises)

The Government may support the following matters for innovative development of small and medium enterprises or middle-standing enterprises engaging in strategic industries, etc.:

1. Research and development, demonstration, safety management, and construction of related infrastructure;
2. Development and operation of educational programs for supporting specialized personnel and training personnel for research and development or the operation of research equipment;
3. Preferential recommendations to select military service-designated entities for which expert research personnel will serve under Article 36 of the Military Service Act;
4. Giving priority to granting subsidies for the employment of researchers with a master's or doctorate degree in science or engineering;
5. Support to attract skilled human resources from abroad;
6. Support for technology protection and response to disputes over intellectual property;
7. Provision of guidance and advice concerning strategies for expansion into overseas markets, such as overseas patent applications;
8. Other support prescribed by Presidential Decree, which is necessary to create a development ecosystem of strategic industries, etc.

Article 25 (Implementation of National High-Tech Strategic Technology Development Projects)

(1) The Government may implement a national high-tech strategic technology development project (hereinafter referred to as "technology development project") that includes the following projects, subject to deliberation by the Presidential Advisory Council on Science and Technology under the Presidential Advisory Council on Science and Technology Act in order to secure technologies for strategic industries, etc. and to strengthen competitiveness:

1. Research and development projects in the fields of strategic industries, etc.;
2. Strategic investigation and analysis of intellectual property rights, such as patents, at home and abroad, for the efficiency of technology development;
3. Joint research and development projects among enterprises, universities, research institutes, and related institutions and organizations;
4. Civil-military technological cooperation projects defined in the Promotion of Technology Projects for Joint Civilian and Military Use Act;
5. Other projects prescribed by Presidential Decree to strengthen the technological competitiveness of strategic industries, etc.

(2) In compiling a budget for a national research and development project pursuant to Article 12-2 of the Framework Act on Science and Technology, the heads of relevant administrative agencies shall endeavor to give a high priority to technology development projects.

(3) The Government may have institutions, organizations, or business entities that fall under any of the following conduct technology development projects:

1. A business entity engaging in strategic industries, etc.;

2. A national or public research institute;
 3. A research institute governed by the Specific Research Institutes Support Act;
 4. A Government-funded research institute established pursuant to the Act on the Establishment, Operation and Fostering of Government-Funded Research Institutes or a Government-funded science and technology research institute established pursuant to the Act on the Establishment, Operation and Fostering of Government-Funded Science and Technology Research Institutes;
 5. A research institute specializing in manufacturing technology established under Article 42 of the Industrial Technology Innovation Promotion Act;
 6. A school under Article 2 of the Higher Education Act;
 7. Other institutions, organizations, or business entities prescribed by Presidential Decree.
- (4) An institution in charge of a technology development project shall conduct a strategic investigation and analysis of intellectual property rights, such as patents, referred to in paragraph (1) 2, as determined and publicly notified by the Minister of Trade, Industry and Energy.
- (5) In implementing technology development projects, the Government shall preferentially support solidarity cooperation models under Article 42.
- (6) The Government may pay contributions to an institution that conducts technology development projects.
- (7) The scope, methods, and procedures of support under paragraphs (1) through (6), and matters necessary for the payment, use, and management of contributions, shall be prescribed by Presidential Decree.

Article 26 (Special Cases concerning Promotion of Technology Development Projects)

- (1) The head of a relevant central administrative agency may select a research and development project and a research and development institute that performs such project by methods other than public contest, such as designation in accordance with the proviso, with the exception of the subparagraphs, of Article 9 (4) of the National Research and Development Innovation Act, with respect to projects that are recognized as technology development projects under Article 25, which are of high national policy importance and require a large-scale investment, a high-level of technological development or high risk of participation therein.
- (2) In accordance with Article 13 of the National Research and Development Innovation Act and related regulations based on that Act, the head of the relevant central administrative agency may, in consultation with the Minister of Science and ICT, set different support standards and cash contribution ratios for Government contributions to research and development institutes participating in technology development projects: Provided, That in cases of an emergency arising from the social and economic crisis, the support standards shall be raised or the cash contribution ratio shall be lowered, and the Minister of Science and ICT shall be notified of the change and the reason therefor without delay.

Article 27 (Special Cases concerning Preliminary Feasibility Surveys)

(1) Where the following projects undergo deliberation and resolution by the Committee, the Minister of Economy and Finance and the Minister of Science and ICT may preferentially select a project subject to a preliminary feasibility survey under Article 38 of the National Finance Act, relevant statutes or regulations, and Article 12-3 of the Framework Act on Science and Technology to promptly strengthen the competitiveness of strategic industries, etc.:

1. Projects to support specialized complexes under Article 20 (1);
2. Technology development projects under Article 25 (1);
3. Any other project for which a detailed project plan is formulated, such as the purpose, scale, and implementation plan of the project for enhancing the competitiveness of strategic industries, etc.

(2) The Minister of Economy and Finance and the Minister of Science and ICT shall endeavor to promptly conduct a preliminary feasibility survey for the project selected as a project subject to a preliminary feasibility survey pursuant to paragraph (1).

(3) Notwithstanding Article 38 (1) of the National Finance Act, the Minister of Economy and Finance or the Minister of Science and ICT may exempt from a preliminary feasibility survey projects deemed particularly necessary to be speedily implemented for the sake of national and economic security and for securing a stable industrial supply chain and future competitiveness, etc. among the projects under the subparagraphs of paragraph (1). In such cases, the details of a project exempted from a preliminary feasibility survey and the grounds for exemption shall be reported without delay to the competent Standing Committee of the National Assembly. *<Amended on Dec. 31, 2022>*

Article 27-2 (Special Cases concerning Preliminary Feasibility Surveys on Projects of Public Enterprises and Quasi-Governmental Institutions)

(1) Notwithstanding the main clause of Article 40 (3) of the Act on the Management of Public Institutions, the head of a public enterprise or a quasi-governmental institution (hereafter in this Article referred to as "institution head") may apply to the Minister of Economy and Finance for an exemption from the preliminary feasibility survey, if the following projects are deemed necessary to be implemented particularly quickly for the sake of national and economic security and for securing a stable industrial supply chain and future competitiveness after deliberation and resolution by the Committee:

1. Projects to create specialized complexes under Article 16 (2);
2. Projects to support specialized complexes under Article 20 (1);
3. Technology development projects under Article 25 (1).

(2) Upon receipt of an application for exemption from a preliminary feasibility survey under paragraph (1), the Minister of Economy and Finance shall determine whether to grant exemption from the preliminary feasibility survey, in consultation with relevant experts, and notify the institution head of the results thereof.

(3) If necessary to ensure financial soundness and to efficiently implement projects, etc. of public institutions, the Minister of Economy and Finance may require an institution head to examine the appropriateness of a plan for a project granted exemption from a preliminary feasibility survey under paragraph (2), such as by analyzing financing measures, total project cost, and efficient alternatives.

(4) Other matters necessary for procedures, etc. for preliminary feasibility surveys on projects of public enterprises and quasi-governmental institutions shall be prescribed by Presidential Decree.

Article 28 (Support through Other Special Accounts)

If the Government deems that a project implemented through any of the following special accounts or funds is more effective, it may operate projects for enhancing competitiveness, such as support for the creation and operation of infrastructure for strategic industries, etc., support for growth of companies, support for training personnel, etc. through the relevant special account or fund: <Amended on Dec. 31, 2022>

1. Special accounts for strengthening the competitiveness of materials, components, and equipment under Article 68 of the Act on Special Measures for Strengthening the Competitiveness of Materials, Components, and Equipment Industries;
2. Special accounts for balanced national development under Article 30 of the Special Act on Balanced National Development;
3. Other special accounts and funds prescribed by Presidential Decree.

Article 28-2 (Application for Support by Strategic Technology Holders)

(1) A strategic technology holder may apply to the Minister of Trade, Industry and Energy for support for matters related to any of the following:

1. Prompt consultation, approval, authorization, and permission by the heads of relevant administrative agencies regarding the construction of facilities for strategic industries, etc. and investment in research and development;
2. Deregulation and institutional improvements needed to facilitate projects in strategic industries, etc.;
3. Other matters prescribed by Presidential Decree for the support of strategic technology holders.

(2) The Committee may, at the request of the Minister of Trade, Industry and Energy, deliberate on an application for support by a strategic technology holder under paragraph (1).

(3) Article 29 (2) through (4) shall apply mutatis mutandis to matters regarding notification to and replies to the heads of relevant administrative agencies, examination by the heads of relevant administrative agencies, and deliberation by the Committee under paragraph (2) upon an application for support under paragraph (1).

(4) Matters necessary for procedures for application for support under paragraph (1) shall be prescribed by Presidential Decree.

Article 29 (Application for Regulatory Improvement)

(1) An enterprise related to strategic industries, etc. may apply to the Minister of Trade, Industry and Energy for regulatory improvements (hereafter in this Chapter referred to as "regulatory improvements") in relation to research and development, test and evaluation, verification, and production activities related to strategic industries, etc.

(2) Upon receipt of an application under paragraph (1), the Minister of Trade, Industry and Energy shall notify the head of a relevant administrative agency of the contents of the application, and the head of the relevant administrative agency shall examine the contents of the relevant application and reply in writing to the Minister of Trade, Industry and Energy with the results of the examination within 15 days. In such cases, the head of the relevant administrative agency shall actively process applications that do not require improvement of statutes or regulations.

(3) If the head of the relevant administrative agency requests the applicant enterprise to supplement the data in order to examine whether to make regulatory improvement, the period of time taken to supplement the relevant data shall not be counted toward the reply period under paragraph (2): Provided, That even in such cases, the reply stating the result of examination shall be served within 45 days, and where it is impracticable to make a reply, a one-time extension of up to 30 days may be requested.

(4) At the request of the Minister of Trade, Industry and Energy, the Committee may deliberate on the contents of the application under paragraph (1), the examination by the head of the relevant administrative agency, the results of the processing of the application, and whether to make regulatory improvement, and others. In such cases, the head of the relevant administrative agency may attend a Committee meeting and submit opinions.

(5) Where it is necessary to improve statutes or regulations as a result of deliberation under paragraph (4), the Minister of Trade, Industry and Energy may notify the head of the relevant administrative agency of the result of deliberation and request regulatory improvement. In such cases, the head of the relevant administrative agency shall promptly promote the improvement of the relevant statutes or regulations unless there is a compelling reason not to do so.

(6) As a result of the Committee's deliberation under paragraph (4), if it is deemed necessary to grant regulatory exemptions for demonstration such as research and development, test and evaluation, and verification, the Committee may grant relevant regulatory exemptions in accordance with Article 10-3 of the Industrial Convergence Promotion Act, Article 38-2 of the Special Act on Promotion of Information and Communications Technology and Vitalization of Convergence Thereof, Article 16-2 of the Special Act on Promotion of Special Research and Development Zones, and Article 86 of the Act on Special Cases concerning the Regulation of Regulation-Free Special Zones and Special Economic Zones for Specialized Regional Development: Provided, That the Committee shall notify the competent Mayor/Do Governor of the results of deliberation on special cases under Article 86 of the Act on Special Cases concerning the Regulation of Regulation-Free Special Zones and Special Economic Zones for Specialized

Regional Development, and in such cases, the Mayor/Do Governor may examine such special cases and file an application for regulatory exemptions with the Minister of SMEs and Startups pursuant to Articles 72 and 81 of that Act.

(7) The Minister of Trade, Industry and Energy shall notify the person who has applied for the regulatory improvements of the reply sent by the head of the relevant administrative agency pursuant to paragraph (2) or the result of the deliberation by the Committee under paragraph (4) by means of the information and communications network or mail, etc.

(8) Details related to paragraphs (1) through (7) and matters necessary for the standards for review, and the procedures and methods of regulatory improvement shall be prescribed by Presidential Decree.

Article 30 (Management and Supervision of Regulatory Improvement)

(1) The head of a relevant administrative agency shall manage and supervise projects, etc. to which regulatory improvement is granted under Article 29 and which are to be implemented.

(2) The head of the relevant administrative agency may revoke the application of the regulatory improvement or order the correction if the person granted the regulatory improvement falls under any of the following cases: Provided, That in the case of subparagraph 1, the application shall be revoked:

1. Where the regulatory improvement is applied by fraud or other improper means;
2. Where the person fails to meet the standards for review under Article 29 (8);
3. Where it is determined that it is clearly impossible to achieve the purpose of the regulatory improvements;
4. Where an accident occurs by intention or negligence, causing harm to human health, property, or the environment.

(3) Details related to paragraphs (1) and (2) and procedures for revoking the application of regulatory improvements and others shall be prescribed by Presidential Decree.

Article 31 (Commercialization Support Including International Cooperation)

In order to identify international trends related to strategic industries, etc. and promote international cooperation and entry into overseas markets, the State or local governments may implement projects such as international exchanges of specialized personnel and conduct international joint research, or provide support necessary therefor.

Article 32 (Support for Encouraging Investment)

(1) In order to encourage investment in strategic industries, etc., the Minister of Trade, Industry and Energy may provide support through the fund of funds for venture investment established under Article 70 of the Venture Investment Promotion Act in consultation with the Minister of SMEs and Startups.

(2) Funds for support under paragraph (1) shall consist of the following financial resources:

1. Capital invested by the State, local governments, or public institutions;
 2. Capital contribution by a person, other than the State, local governments, and public institutions, who wishes to invest in the fund of funds for venture investment in connection with strategic industries, etc.;
 3. Other incidental revenues.
- (3) Except as provided in paragraphs (1) and (2), matters necessary for support for encouraging investment in strategic industries, etc. shall be prescribed by Presidential Decree.

Article 33 (Special Cases concerning Safety Education on Hazardous Chemical Substances)

- (1) Any trade association related to strategic industries, etc. prescribed by Presidential Decree may request the Minister of Environment to operate a safety education program prescribed in Article 33 of the Chemical Substances Control Act as a course of education suitable for the characteristics of the relevant industry.
- (2) Upon receipt of a request under paragraph (1), the Minister of Environment may designate an educational institution having professional capabilities regarding the relevant strategic industries, etc. and take measures so that personnel related to the strategic industries, etc. may receive safety education meeting their industrial characteristics.

Article 34 (Special Cases concerning Tax Support)

In order to support the innovative development and investment promotion of strategic industries, etc., the State and local governments may reduce or exempt taxes imposed on enterprises related to strategic industries, etc. as prescribed by relevant tax laws, such as the Act on Restriction on Special Cases concerning Taxation and the Act on Restriction on Special Cases concerning Local Taxation.

CHAPTER VI TRAINING OF SPECIALIZED PERSONNEL IN STRATEGIC INDUSTRIES

Article 35 (Training of Specialized Personnel)

- (1) The Government may carry out the following projects in connection with industrial sectors, universities, research institutes, etc. for the smooth supply of and demand for personnel in strategic industries, etc.: *<Amended on Dec. 31, 2022>*
1. Projects for training personnel through educational institutions, such as agreed departments and science and engineering departments, which are linked to industrial demand, and high schools, etc. prescribed by Presidential Decree among those schools defined in subparagraph 3 of Article 2 of the Elementary and Secondary Education Act;
 2. Projects for training personnel through a specialized personnel training institution other than educational institutions under subparagraph 1;

3. Expansion of research facilities, equipment, and specialized teachers necessary for training specialized personnel;
4. Projects for training personnel for establishment of a hub in areas other than the Seoul Metropolitan area defined in subparagraph 1 of Article 2 of the Seoul Metropolitan Area Readjustment Planning Act;
5. Other projects for training personnel prescribed by Presidential Decree.

(2) The Government may provide administrative and financial support to the following matters in order to expand specialized personnel in strategic industries, etc. and to establish a virtuous cycle ecosystem in connection with projects for training specialized personnel under paragraph (1): <Amended on Dec. 31, 2022>

1. Support for the employment of technical personnel who participated in a government technology development project or personnel training program related to strategic technology or who received training under a curriculum at a personnel training institution under Articles 36 through 38;
2. Giving priority to supporting technology development projects for the technical personnel under subparagraph 1 or for the specialized personnel, etc. designated under Article 14 (2);
3. Establishing measures to utilize specialized personnel, etc. when providing education and practical training related to strategic technology at a personnel training institution under Articles 36 through 38;
4. Adjustment of the maximum number of students in universities related to strategic industries, etc.

Article 36 (Support for Establishment of Vocational Education and Training Courses by Agreement)

(1) The Government may support the establishment and operation of departments or faculties by agreement prescribed in Article 8 (1) of the Industrial Education Enhancement and Industry-Academia-Research Cooperation Promotion Act (hereinafter referred to as "agreed department or faculty") in industrial educational institutions defined in subparagraph 2 of Article 2 of that Act (hereinafter referred to as "industrial educational institutions") in order to train personnel tailored to meet the needs of enterprises related to strategic industries, etc. for each field.

(2) The Government may survey demand for the establishment of agreed departments or faculties each year pursuant to Article 12 (2) of the Industrial Development Act and provide support under paragraph (1) based on the findings thereof.

(3) The Government may partially subsidize industrial entities' charges and student tuitions payable to the heads of industrial educational institutions that establish or operate agreed departments or faculties related to strategic industries, etc., as prescribed by Presidential Decree.

(4) Where the head of an industrial educational institution that receives support under paragraph (3) establishes, operates, or repeals agreed departments or faculties, he or she shall report thereon to the Minister of Education pursuant to Article 8 (3) of the Industrial Education Enhancement and Industry-Academia-Research Cooperation Promotion Act; and the Minister of Trade, Industry and Energy may request the Minister of Education to provide relevant materials, if necessary.

Article 37 (Designation of Colleges Specialized in National High-Tech Strategic Industries)

(1) In order to train specialized personnel necessary for strategic industries, etc., the Government may designate colleges or graduate schools specialized in national high-tech strategic industries, or high schools tailored to industry demand (hereinafter referred to as "specialized colleges, etc."), from among the following institutions, as prescribed by Presidential Decree: <Amended on Dec. 31, 2022>

1. Schools under Article 2 of the Higher Education Act, graduate schools under Article 29 of that Act, and graduate school universities or colleges under Article 30 of that Act;
 2. The Korea Advanced Institute of Science and Technology under the Korea Advanced Institute of Science and Technology Act;
 3. The Gwangju Institute of Science and Technology under the Gwangju Institute of Science and Technology Act;
 4. The Daegu Gyeongbuk Institute of Science and Technology under the Daegu Gyeongbuk Institute of Science and Technology Act;
 5. The Ulsan National Institute of Science and Technology under the Ulsan National Institute of Science and Technology Act;
 6. Schools prescribed in Article 2 of the Elementary and Secondary Education Act which are high schools that provide tailored curricula directly aligned with industrial demand.
- (2) The Government may provide support necessary for the operation of specialized colleges, etc. designated pursuant to paragraph (1). <Amended on Dec. 31, 2022>
- (3) Matters necessary for the standards and procedures for designating specialized colleges, etc. designated pursuant to paragraph (1) and the details of support under paragraph (2), etc. shall be prescribed by Presidential Decree. <Amended on Dec. 31, 2022>

Article 37-2 (Special Cases concerning Qualification Criteria for Appointment, Holding Concurrent Positions or Offices of Public Educational Officials)

- (1) Notwithstanding Articles 14-2, 16, and 17 (2) of the Higher Education Act, the qualification criteria for the appointment of instructors under Article 14 (2) of that Act and part-time teachers and visiting teachers under Article 17 (1) of that Act for the purpose of training and providing re-education to specialized personnel necessary for strategic industries, etc. may be differently determined in the articles of school foundation.
- (2) Professors, associate professors, and assistant professors under Article 14 (2) of the Higher Education Act may hold concurrent positions or offices of representative who engages in strategic industries, etc. or executive officer and employee thereof after obtaining permission from the head of the school to which they belong, to the extent not hindering the education and guidance of students.
- (3) The permission granted by the head of a school to which he or she belongs under paragraph (2) shall be deemed permission granted for holding a concurrent office or position under Article 18 (1) of the

Educational Officials Act or Article 6 (4) of the Cooperative Research and Development Promotion Act.

Article 37-3 (Permission for Public Educational Officials to Take Leave of Absence)

(1) Notwithstanding Article 44 (1) of the Educational Officials Act and Article 59 (1) of the Private School Act, professors, associate professors, and assistant professors under Article 14 (2) of the Higher Education Act may take a leave of absence to work as a representative, executive officer or employee who engages in strategic industries, etc.

(2) In the case of a leave of absence for at least six months pursuant to paragraph (1), the university shall be deemed to have the number of teachers' positions corresponding to the number of such employees from the date of the leave of absence until the expiration of the leave period.

Article 38 (Designation of Comprehensive Strategic Industry Education Centers)

(1) The Government may designate any of the following institutions as a comprehensive strategic industry education center for training specialized personnel in strategic industries, etc.:

1. A research institute under Article 8 (1) of the Act on the Establishment, Operation and Fostering of Government-Funded Science and Technology Research Institutes;
2. The Korea Institute for Advancement of Technology under Article 38 of the Industrial Technology Innovation Promotion Act;
3. An educational and training institution for strategic industries, etc. established by enterprises related to strategic industries, etc. or by a trade association established pursuant to Article 32 of the Civil Act, as prescribed by Presidential Decree;
4. Other institutions prescribed by Presidential Decree, which are related to strategic industries, etc.

(2) The Government may grant contributions or subsidies to a person designated pursuant to paragraph (1) to cover expenses incurred in performing any of the following projects for training specialized personnel:

1. Training of field specialized personnel in strategic technology;
2. Entrusted education of field specialized personnel, engaged in strategic industries, etc.;
3. Education and training related to strategic technology;
4. Exchange of and cooperation in the training system with domestic and foreign training institutions for specialized personnel in strategic technology;
5. Other projects prescribed by Ordinance of the Ministry of Trade, Industry and Energy in connection with the training of specialized personnel in strategic industries, etc.

(3) If a project for training specialized personnel conducted by a person designated pursuant to paragraph (1) is recognized as a training course conducted in compliance with training standards prescribed in Article 38 of the Act on the Development of Vocational Skills of Workers and is also recognized as a training course pursuant to Article 19 (1) or Article 24 (1) that Act, such training program may be given priority in subsidizing training expenses, etc.

(4) Matters necessary for the requirements and procedures for designation and the payment, use, and management of contributions under paragraphs (1) and (2) shall be prescribed by Presidential Decree.

Article 39 (Identification and Attraction of Excellent Overseas Human Resources and Special Cases)

(1) The Government may conduct a survey or analysis of specialized personnel of overseas universities, research institutes, and enterprises in order to identify and attract excellent overseas personnel related to strategic technology.

(2) The Minister of Trade, Industry and Energy may utilize the outcomes of research and analysis under paragraph (1) for the utilization of information on excellent overseas personnel, as prescribed by Presidential Decree.

(3) The Minister of Trade, Industry and Energy may implement projects for establishing an international network and participating in international events to attract excellent overseas personnel relating to strategic technology.

(4) Notwithstanding Articles 8 and 10 of the Immigration Act, the Minister of Justice may otherwise prescribe, in consultation with the Minister of Trade, Industry and Energy, the criteria and procedures for issuing visas to foreigners engaged in strategic technology development projects, etc. and the upper limit of the period of stay for each status of stay that can be granted at one time. *<Amended on Dec. 31, 2022>*

(5) The Government may provide administrative and financial support necessary for identifying and attracting excellent overseas personnel relating to strategic technology. *<Newly Inserted on Dec. 31, 2022>*

(6) Matters necessary for identifying and attracting excellent overseas personnel under paragraph (1) and administrative and financial support under paragraph (5) shall be prescribed by Presidential Decree.

<Newly Inserted on Dec. 31, 2022>

CHAPTER VII FACILITATION OF SOLIDARITY AND COOPERATION IN INDUSTRIAL ECOSYSTEMS

Article 40 (Responsibilities to Facilitate Solidarity and Cooperation)

(1) The Government shall strive to devise policy measures to enhance competitiveness of the overall industrial ecosystem and achieve shared growth by solidifying cooperative relations between the enterprises, institutions or organizations engaged in strategic industries, etc.

(2) Enterprises that take occupancy in a specialized complexes and other enterprises, etc. that receive support under this Act shall endeavor to promote solidarity and cooperation.

Article 41 (Solidarity and Cooperation Council)

(1) The Committee may operate a solidarity and cooperation council composed of members who can represent the industrial ecosystem to examine and deliberate on the following matters in advance:

1. Hearing opinions of industrial sectors concerning strengthening the competitiveness of strategic industries, etc.;
 2. Selection of and support for a solidarity cooperation model among enterprises, institutions, or organizations under Article 9 (1) 7;
 3. Other matters prescribed by Presidential Decree.
- (2) Matters necessary for the composition and operation of a solidarity and cooperation council under paragraph (1) shall be prescribed by Presidential Decree.

Article 42 (Identification of Solidarity Cooperation Models)

- (1) The Government may identify and support a solidarity cooperation model.
- (2) The Committee may recommend and arrange mutual cooperation between enterprises, institutions, or organizations, and may deliberate on the selection of a solidarity cooperation model if an enterprise, institution, or organization that intends to cooperate with each other applies by submitting a plan containing the following matters:
1. Objectives by industry and technology;
 2. Details of cooperation among enterprises, institutions, or organizations;
 3. Plans for research and development, testing, evaluation, verification, production, or investment;
 4. Matters regarding necessary support, regulatory improvement, etc.;
 5. Effects that cooperation among enterprises, institutions, or organizations may have on the competition in the relevant markets at home and abroad.
- (3) Matters regarding the methods and procedures for identifying and selecting solidarity cooperation models under paragraphs (1) and (2) shall be prescribed by Presidential Decree.

Article 43 (Support for Solidarity Cooperation Models)

- (1) The State or a local government may provide administrative, technical, and financial support related to the following in order to promote mutual cooperation among enterprises, institutions, or organizations or to support a solidarity cooperation model that has been deliberated and resolved on by the Committee:
1. Joint technology development;
 2. Joint construction of infrastructure, and logistics and storage;
 3. Investment for technology transfer, research and development, production, etc.;
 4. Assessment of appropriateness, including reliability assessment and performance tests;
 5. Production of test products and expansion of facilities;
 6. Guarantee of reliability;
 7. Awarding of prizes to outstanding enterprises and preferential evaluation of government technology development projects, the shared growth index, etc. under Article 20-2 (2) 1 of the Act on the Promotion of Mutually Beneficial Cooperation between Large Enterprises and Small and Medium Enterprises;

8. Other matters related to solidarity and cooperation that are prescribed by Presidential Decree.
- (2) Matters necessary for support under paragraph (1) shall be prescribed by Presidential Decree.

Article 44 (Special Cases concerning the Monopoly Regulation and Fair Trade Act for Promotion of Solidarity and Cooperation)

(1) Among the solidarity cooperation models selected pursuant to Article 42, the matters on which the Minister of Trade, Industry and Energy have a consultation with the Fair Trade Commission shall be deemed to have been authorized by the Fair Trade Commission under Article 40 (2) of the Monopoly Regulation and Fair Trade Act.

(2) Where the Minister of Trade, Industry and Energy intends to have a consultation under paragraph (1), he or she shall submit the documents prescribed in Article 40 (3) of the Monopoly Regulation and Fair Trade Act and the Enforcement Decree of that Act to the Fair Trade Commission.

CHAPTER VIII SUPPLEMENTARY PROVISIONS

Article 45 (Submission of Data and Inspection)

(1) The Minister of Trade, Industry and Energy or the head of a relevant administrative agency may, if necessary for supervision, order relevant institutions, corporations, and organizations, including specialized complex management organizations and strategic industries to submit reports or data on their business affairs.

(2) The Minister of Trade, Industry and Energy or the head of the relevant administrative agency may take necessary measures, such as having their officials enter the offices, places of business, and other places of relevant institutions, corporations, and organizations such as specialized complex management organizations and strategic industries, etc. under paragraph (1) to inspect relevant documents and ask questions of relevant persons.

(3) A public official entering and conducting an inspection under paragraph (2) shall carry identification verifying his or her authority and present it to relevant persons.

Article 46 (Hearings)

The Minister of Trade, Industry and Energy shall hold a hearing when intending to make the following dispositions:

1. Suspension or prohibition of export, or restoration to the original state, of the strategic technology under Article 12 (4);
2. Suspension, prohibition, or restoration to the original state, of the cross-border acquisition, merger, etc. under Article 13 (5) and (7).

Article 47 (Delegation and Entrustment of Authority)

(1) Part of the authority of the Minister of Trade, Industry and Energy vested under this Act may be delegated to the Mayor/Do Governor or to the head of a Si/Gun/Gu (referring to the head of an autonomous Gu), as prescribed by Presidential Decree.

(2) Part of the business affairs of the Minister of Trade, Industry and Energy or a Mayor/Do Governor under this Act may be entrusted to a relevant institution or corporation as prescribed by Presidential Decree.

Article 48 (Special Cases concerning Exemption from Proactive Public Administrative Responsibility)

If there is no intention or gross negligence on his or her part, a person shall not be held responsible for the results of proactively handling the affairs under Articles 19, 22, 23, and 29 and not be subject to a request for disciplinary action or reprimand under the Act on Public Sector Audits.

Article 49 (Legal Fiction as Public Official for Purposes of Applying Penalty Provisions)

The following persons shall be deemed to be public officials for purposes of applying Articles 127 and 129 through 132 of the Criminal Act:

1. Persons who are not public officials among the members of the Committee;
2. The executive officers and employees of institutions or corporations engaged in the duties entrusted pursuant to Article 47.

Article 50 (Penalty Provisions)

(1) Any person who commits an act under any of subparagraphs 1 through 3 of Article 15 with intent to use strategic technology in a foreign country or to cause strategic technology to be used in a foreign country shall be punished by imprisonment with labor for a limited term of not less than five years. In such cases, a fine not exceeding two billion won shall be concurrently imposed.

(2) Any person who commits an act under any of subparagraphs 5 through 8 of Article 15 with intent to use strategic technology in a foreign country or to cause strategic technology to be used in a foreign country shall be punished by imprisonment with labor for a limited term of not more than 20 years or by a fine not exceeding two billion won.

(3) Any person who commits an act under any subparagraph of Article 15 (excluding subparagraphs 4, 6, and 8) shall be punished by imprisonment with labor not exceeding 15 years or by a fine not exceeding 1.5 billion won.

(4) Any person who commits an act under subparagraph 4 or 8 of Article 15 shall be punished by imprisonment with labor not exceeding five years or by a fine not exceeding 500 million won.

(5) Any person who commits an act under any subparagraph of Article 10 (5) shall be punished by imprisonment with labor not exceeding one year or by a fine not exceeding 10 million won.

Article 51 (Administrative Fines)

(1) Any person who fails to submit relevant data or submits false data in violation of Article 45 (1) or who refuses, evades, or obstructs entry, inspection, etc. in accordance with Article 45 (2) shall be subject to an administrative fine not exceeding 10 million won.

(2) The Minister of Trade, Industry and Energy shall impose and collect administrative fines under paragraph (1), as prescribed by Presidential Decree.

ADDENDA <Act No. 18813, Feb. 3, 2022>

Article 1 (Purpose)

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

Article 2 (Effective Period)

This Act shall remain effective until December 31, 2042.

Article 3 (Applicability to Support for Industrial Infrastructure)

@Article 20 shall also apply to industrial infrastructure whose installation (including expansion) is in progress as at the time this Act enters into force. In such cases, the expense support shall cover the costs of investments in industrial infrastructure after this Act enters into force.

ADDENDUM <Act No. 19205, Dec. 31, 2022>

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