

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

Presidential Decree No. 32850, Aug. 4, 2022  
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## CHAPTER I GENERAL PROVISIONS

### **Article 1 (Purpose)**

The purpose of this Decree is to prescribe matters mandated by the Act on Special Measures for Strengthening the Competitiveness of, and Protecting, National High-Tech Strategic Industries and matters necessary for the enforcement thereof.

## CHAPTER II MASTER PLAN FOR FOSTERING AND PROTECTION OF NATIONAL HIGH-TECH STRATEGIC INDUSTRIES

### **Article 2 (Formulation of Master Plans for Fostering and Protection of National High-Tech Strategic Industries)**

(1) The Minister of Trade, Industry and Energy shall consider the plan for fostering specialized complexes under Article 26 (3) when formulating or modifying a master plan (hereinafter referred to as "master plan for national strategic industries") for the fostering and protection of national high-tech strategic industries under Article 5 (1) of the Act on Special Measures for Strengthening the Competitiveness of, and Protecting, National High-Tech Strategic Industries (hereinafter referred to as the "Act") and national high-tech strategic technologies (hereinafter referred to as "national strategic industries, etc."), including the plan to designate specialized complexes under paragraph (2) 5 of that Article.

(2) The Minister of Trade, Industry and Energy shall publicly announce the contents of a master plan for national strategic industries when he or she formulates or modifies such plan: Provided, That where there is a risk of interfering with national and economic security, the growth of the national economy, and the fostering and protection of national strategic industries, etc. the relevant part of the master plan for

national strategic industries may be excluded from the public announcement.

(3) The heads of the relevant central administrative agencies shall endeavor to secure the necessary financial resources to implement a master plan for national strategic industries.

(4) "Matters prescribed by Presidential Decree" in Article 5 (2) 7 of the Act means the following:

1. Matters regarding responses to stabilize supply chains in national strategic industries, etc.;
2. Matters regarding the stockpiling and management of core items, such as raw materials, materials, components, and equipment related to national strategic industries, etc.;
3. Matters regarding the upgrading of information resources related to national strategic industries, etc. and research and development in the private sector.

(5) The Minister of Trade, Industry and Energy shall prepare guidelines for formulating a sector plan in consultation with the heads of relevant central administrative agencies to efficiently formulate sector plans for each relevant central administrative agency under the former part of Article 5 (3) of the Act (hereinafter referred to as "sector plan").

(6) The Minister of Trade, Industry and Energy shall notify the heads of relevant central administrative agencies of the guidelines for formulating a sector plan prepared under paragraph (5).

(7) The heads of relevant central administrative agencies shall formulate sector plans for fields under their jurisdiction in accordance with the guidelines for formulating sector plans notified pursuant to paragraph (6); and shall submit them to the Minister of Trade, Industry and Energy.

(8) Where a sector plan submitted under paragraph (7) has some overlaps or conflicts, the Minister of Trade, Industry and Energy may request the head of the relevant central administrative agency to revise, supplement, or coordinate the sector plan before deliberation by the National High-Tech Strategic Industry Committee under Article 9 (1) of the Act (hereinafter referred to as the "National Strategic Industry Committee").

(4) "Minor matters prescribed by Presidential Decree" in the latter part of Article 5 (3) of the Act means the following:

1. Cases of modifying matters that do not affect the purpose and direction of a master plan for national strategic industries, of which the grounds for modification are clear;
2. Calculation mistakes, clerical mistakes, omissions, or other obvious errors corresponding thereto.

### **Article 3 (Formulation of Implementation Plans for Fostering and Protection of National Strategic Industries)**

(1) The head of each relevant central administrative agency shall submit an implementation plan for the fostering and protection of national strategic industries, etc. under Article 6 (1) of the Act (hereinafter referred to as "implementation plan") to the National Strategic Industry Committee by December 31 each year.

(2) The Minister of Trade, Industry and Energy may, if necessary to link the master plan for national strategic industries with an implementation plan, request the head of the relevant central administrative

agency to revise, supplement, or adjust the implementation plan before deliberation by the National Strategic Industry Committee.

(3) Where an implementation plan submitted by the head of a relevant central administrative agency is finalized after deliberation by the National Strategic Industry Committee, the Minister of Trade, Industry and Energy shall compile the plan and publicly announce the details thereof: Provided, That where there is a risk of interfering with national and economic security, the growth of the national economy, and the fostering and protection of national strategic industries, the relevant part of the implementation plan may be excluded from the public announcement.

(4) Where the head of a relevant central administrative agency intends to modify the following matters after an implementation plan is finalized, he or she shall submit the relevant modifications to the National Strategic Industry Committee:

1. Any matter involving at least two central administrative agencies;
2. Any other matters determined by the National Strategic Industry Committee as those that may have a significant impact on the fostering and protection of national strategic industries, etc.

(5) The head of each relevant central administrative agency shall submit the results of the implementation of an implementation plan in the previous year under Article 6 (2) of the Act to the National Strategic Industry Committee by the end of February of the following year.

#### **Article 4 (Surveys on Current Status and Forecasts of Development Prospects)**

(1) The Minister of Trade, Industry and Energy and the head of a relevant central administrative agency shall conduct a survey on the current status of national strategic industries, etc. and forecast development prospects of those industries pursuant to Article 7 (1) of the Act.

(2) The Minister of Trade, Industry and Energy and the head of a relevant central administrative agency may entrust the investigation of the current status of national strategic industries, etc. and the forecast of development prospects under paragraph (1) to an institution or an organization with expertise in national strategic industries, etc.

#### **Article 5 (Scope of Statistics Related to National Strategic Industries)**

The scope of statistics to be prepared on national strategic industries, etc. under Article 8 (1) of the Act shall be as follows:

1. Trends in national strategic industries, etc. and the status of markets;
2. Status of human resources, facilities, equipment, and technology development of national strategic industries, etc.;
3. Current status of training and education of specialized personnel in the relevant fields, such as national strategic industries;
4. Technologies and systems for protecting national strategic industries, etc. at home and abroad;

5. Other matters deemed necessary by the Minister of Trade, Industry and Energy for protecting and fostering national strategic industries, etc.

#### **Article 6 (Preparation of Statistics on National Strategic Industries)**

(1) The Minister of Trade, Industry and Energy shall prepare statistics on national strategic industries, etc. under Article 8 (1) of the Act each year.

(2) Pursuant to Article 8 (3) of the Act, the Minister of Trade, Industry and Energy may have the following institutions prepare statistics on national strategic industries, etc.:

1. The Korea Institute for Advancement of Technology under Article 38 of the Industrial Technology Innovation Promotion Act;
2. The Korea Institute for Industrial Economics and Trade under Article 8 of the Act on the Establishment, Operation and Fostering of Government-Funded Research Institutes;
3. Non-profit corporations under Article 32 of the Civil Act;
4. Corporations established under a special Act (excluding for-profit corporations).

#### **Article 7 (National Strategic Industry Committee)**

(1) “Heads of the relevant central administrative agencies prescribed by Presidential Decree” in Article 9

(2) 1 of the Act means the heads of the following central administrative agencies:

1. The Minister of Economy and Finance, the Minister of Education, the Minister of Science and ICT, the Minister of Foreign Affairs, the Minister of Trade, Industry and Energy, the Minister of Environment, the Minister of Land, Infrastructure and Transport, the Minister of SMEs and Startups, the Chairperson of the Financial Services Commission, the Director of the National Intelligence Service, and the Minister of the Office for Government Policy Coordination;

2. The heads of central administrative agencies designated by the chairperson as necessary in relation to the agenda items to be referred to the meetings of the National Strategic Industry Committee.

(2) The term of office of each member commissioned under Article 9 (2) 2 of the Act shall be two years.

(3) The chairperson of the National Strategic Industry Committee shall represent the Committee and exercise general supervision over its affairs.

(4) Where the chairperson is unable to perform his or her duties due to any unavoidable cause, a member predesignated by the chairperson shall act on his or her behalf.

(5) The chairperson of the National Strategic Industry Committee shall convene and preside over meetings of the National Strategic Industry Committee.

(6) A majority of the members of the National Strategic Industry Committee shall constitute a quorum, and any resolution thereof shall require the concurring vote of a majority of those present.

(7) Except as provided in paragraphs (1) through (6), matters necessary for the operation of the National Strategic Industry Committee shall be determined by the chairperson after resolution by the Committee.

### **Article 8 (Requests for Cooperation from Relevant Institutions)**

(1) If necessary for conducting its affairs, the National Strategic Industry Committee may request relevant experts, public institutions, research institutes, or other institutions, organizations, or associations, etc. to conduct a survey or research.

(2) If necessary to perform its affairs, the National Strategic Industry Committee may collect opinions by conducting surveys or holding public hearings or seminars, etc.

### **Article 9 (High-Tech Strategic Technology Coordination Committee)**

(1) The High-Tech Strategic Technology Coordination Committee under Article 9 (4) of the Act (hereinafter referred to as the "Technology Coordination Committee") shall examine and coordinate the following matters:

1. Matters regarding the designation, change, and cancellation of designation, of the national high-tech strategic technology;
2. Matters regarding necessary research, analysis, and support regarding the designation, change, and cancellation of designation, of the national high-tech strategic technology;
3. Other matters related to the designation, change, or cancellation of designation, of the national high-tech strategic technology, which are delegated to the Technology Coordination Committee by a resolution of the National Strategic Industry Committee.

(2) The Technology Coordination Committee shall be comprised of not more than 12 members including one chairperson.

(3) The members shall be the following persons; in such cases, an agency with at least two Vice Ministers shall have a Vice Minister designated by the head of the agency:

1. Vice Minister of Economy and Finance;
2. Vice Minister of Science and ICT;
3. Vice Minister of Trade, Industry and Energy;
4. Deputy Director of the National Intelligence Service;
5. Commissioner of the Korean Intellectual Property Office;
6. Other vice ministers or vice-ministerial-level public officials of the relevant central administrative agencies nominated by the chairperson of the Technology Coordination Committee (hereinafter referred to as the "chairperson of the Technology Coordination Committee") in relation to the agenda items referred to meetings of the National Strategic Industry Committee;
7. Persons recommended by agreement between the Vice Minister of Science and ICT and the Vice Minister of Trade, Industry and Energy from among experts in the field related to agenda items referred to meetings of the Technology Coordination Committee, and commissioned by the chairperson of the Technology Coordination Committee.

(4) The Technology Coordination Committee shall have two executive secretaries to assist with the affairs of the Technology Coordination Committee, each designated by the chairperson of the Technology Coordination Committee from among members in general service of the Senior Executive Service of the Ministry of Science and ICT and the Ministry of Trade, Industry and Energy, respectively.

(5) The Technology Coordination Committee may have subcommittee for each field for efficient deliberation.

(6) Matters necessary for the composition and operation of a subcommittee for each field under paragraph (5) shall be determined by the chairperson of the Technology Coordination Committee, after resolution by the Technology Coordination Committee.

(7) Except as provided in paragraphs (1) through (6), Articles 7 and 8 shall apply mutatis mutandis to the operation of the Technology Coordination Committee. In such cases, "chairperson of the National Strategic Industry Committee" shall be construed as the "chairperson of the Technology Coordination Committee", and the "National Strategic Industry Committee" as "Technology Coordination Committee".

#### **Article 10 (Specialized Committee for Each Field of National High-Tech Strategic Industries)**

(1) A sectoral specialized committee of national high-tech strategic industries under Article 9 (5) of the Act (hereinafter referred to as "specialized committee") shall perform the following duties:

1. Examination and coordination of agenda items to be presented to the National Strategic Industry Committee;
2. Professional survey and research on agenda items to be presented to the National Strategic Industry Committee;
3. Other matters delegated by the National Strategic Industry Committee.

(2) Members of each specialized committee shall be the following persons:

1. Persons commissioned by the chairperson of the National Strategic Industry Committee upon the recommendation of the heads of the relevant central administrative agencies under Article 9 (2) 1 of the Act from among experts in the areas under the jurisdiction of a specialized committee;
2. Public officials appointed by the heads of relevant central administrative agencies specified in Article 9 (2) 1 of the Act from among members of the Senior Executive Service of the relevant agencies.

(3) The term of office of a member commissioned under paragraph (2) shall be two years.

(4) To handle administrative affairs of each specialized committee, each specialized committee shall have one executive secretary member, who shall be designated by the chairperson of the National Strategic Industry Committee from among members of the Senior Executive Service of the Ministry of Trade, Industry and Energy and relevant central administrative agencies.

(5) A meeting of a specialized committee shall be convened when the chairperson of the National Strategic Industry Committee or the Minister of Trade, Industry and Energy requests a meeting, or when the chairperson of the specialized committee deems it necessary to convene a meeting.

### **Article 11 (Detailed Operational Rules)**

Except as provided in Articles 7 through 10, matters necessary for the operation, etc. of the National Strategic Industry Committee, the Technology Coordination Committee, and the Specialized Committees shall be determined by the chairperson of the National Strategic Industry Committee after resolution by the National Strategic Industry Committee.

### **Article 12 (Adjustment for Emergency Supply and Demand Stabilization )**

(1) Where the Minister of Trade, Industry and Energy intends to make adjustment for emergency supply and demand stabilization under Article 10 (1) of the Act (hereinafter referred to as "adjustment for emergency supply and demand stabilization"), he or she shall have a prior consultation with the heads of relevant central administrative agencies.

(2) Where the Minister of Trade, Industry and Energy has made a decision to make adjustment for emergency supply and demand stabilization, he or she shall publicly notify the details and period thereof and reasons therefor, etc.

(3) The Minister of Trade, Industry and Energy may fully or partially subsidize expenses under the subparagraphs of Article 10 (1) of the Act where he or she makes adjustment for emergency supply and demand stabilization.

(4) The Minister of Trade, Industry and Energy may request the heads of relevant central administrative agencies to take measures necessary for the adjustment for emergency supply and demand stabilization, such as administrative and financial support and temporary relaxation of regulation.

### **Article 13 (Submission of Data)**

(1) The Minister of Trade, Industry and Energy may request the heads of relevant central administrative agencies and the heads of local governments to submit data related to adjustment for emergency supply and demand stabilization on a regular or occasional basis pursuant to Article 10 (3) of the Act.

(2) Where the Minister of Trade, Industry and Energy requests the submission of data, the statement of opinions, etc. under Article 10 (3) of the Act, he or she shall make such request in writing by specifying the details thereof, due date, etc. therefor.

(3) "Institutions prescribed by Presidential Decree" in Article 10 (4) of the Act means the heads of local governments and business entities, etc. who provided data and information necessary for adjustment for emergency supply and demand stabilization to the Minister of Trade, Industry and Energy pursuant to paragraph (3) of that Article.

(4) "Legitimate channel prescribed by Presidential Decree, such as related litigation" in Article 10 (5) 5 of the Act means the following litigation or adjudication procedures for which data or information referred to in paragraph (3) of that Article is provided:

1. Litigation;
2. Administrative appeals under the Administrative Appeals Act;
3. Patent trials under the Patent Act;
4. Other channels of mediation of disputes arising from the procedures for mediation of disputes based on statutes or regulations.

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

### **Article 14 (Designation of National High-Tech Strategic Technology)**

(1) The Minister of Trade, Industry and Energy may request relevant experts, public institutions, research institutes, other institutions, organizations, associations, etc. to conduct a survey or research on national high-tech strategic technologies, if necessary for the designation of national high-tech strategic technologies pursuant to Article 11 (1) of the Act.

(2) Heads of relevant central administrative agencies, enterprises, etc. (referring to enterprises, research institutes, specialized institutions, universities, trade associations, etc.; hereinafter the same shall apply) may request the Minister of Trade, Industry and Energy to designate national high-tech strategic technologies.

(3) The head of the relevant central administrative agency, enterprise, etc. that intend to request the designation of national high-tech strategic technologies pursuant to paragraph (2) shall submit the following data to the Minister of Trade, Industry and Energy:

1. Scope and details of the relevant technology the designation of which is requested;
2. Grounds for designation request;
3. Data related to the requirements referred to in the subparagraphs of Article 11 (1) of the Act;
4. Opinions of enterprises, etc. related to the technology the designation of which is requested;
5. Other reference data related to the request for designation of the relevant technology.

(4) Where the Minister of Trade, Industry and Energy designates national high-tech strategic technologies in accordance with Article 11 (1) of the Act, he or she shall disclose the results of the designation thereof and others: Provided, That if there is a high risk of technology divulgence due to disclosure, the disclosure may not be made.

(5) "Matters prescribed by Presidential Decree" in Article 11 (1) 6 of the Act means the following matters:

1. The domestic level and industrialization stage of the relevant technology;
2. The scale of trade in the relevant technology and international market trends;
3. Other matters deemed necessary by the Minister of Trade, Industry and Energy for the protection and fostering of national high-tech strategic technologies.

## **Article 15 (Application for Determination as to Whether Technology Constitutes National High-Tech Strategic Technology)**

(1) Pursuant to Article 11 (5) of the Act, a person seeking a determination as to whether his or her technology constitutes national high-tech strategic technology shall submit to the Minister of Trade, Industry and Energy an application for determination of whether the technology constitutes national high-tech strategic technology prescribed by Ordinance of the Ministry of Trade, Industry and Energy, accompanied by the following documents:

1. Data on the characteristics, use, and performance of the relevant technology;
2. Data on the market size and competitive level of related products using the technology;
3. Other data the Minister of Trade, Industry and Energy deems necessary to evaluate the industrial importance, ripple effect, etc. of national high-tech strategic technologies.

(2) Upon receiving an application under paragraph (1), the Minister of Trade, Industry and Energy shall determine whether the relevant technology amounts to national high-tech strategic technology, and notify the applicant in writing (including in electronic form; hereinafter the same shall apply) of the result of determination within 15 days from the date of receipt of the application. In such cases, That where a separate technology examination is required with respect to the technology for which an application for determination has been made, a period necessary for the technology examination shall not be included in calculating the period referred to in the former part.

(3) Where the Minister of Trade, Industry and Energy deems it necessary to supplement the contents of an application filed under paragraph (1), he or she may request the relevant applicant to submit additional data. In such cases, the period required for the submission of additional data shall not be included in calculating the period under the former part of paragraph (2).

## **Article 16 (Change or Cancellation of Designation, of National High-Tech Strategic Technology)**

(1) The heads of relevant central administrative agencies and enterprises, etc. with national high-tech strategic technologies may request the Minister of Trade, Industry and Energy to change the scope or content of national high-tech strategic technologies or to cancel their designation in accordance with Article 11 (2) of the Act if it is necessary to change or cancel the designation of, the existing national high-tech strategic technologies due to divulgence of national high-tech strategic technologies, changes in the technological environment, development of the same or advanced technologies, etc.

(2) The head of a relevant central administrative agency and an enterprise, etc. with the national high-tech strategic technology that intend to request a change or cancellation of designation of, the national high-tech strategic technology pursuant to paragraph (1) shall submit the following data to the Minister of Trade, Industry and Energy:

1. Scope and content of the relevant national high-tech strategic technology;

2. Ground for requesting the change or cancellation of designation;
  3. Other reference data on the request for the change, or cancellation of designation of, the national high-tech strategic technology.
- (3) Upon receipt of a request under paragraph (1), the Minister of Trade, Industry and Energy may change the scope or content of national high-tech strategic technologies; or cancel the designation thereof, as deemed necessary, pursuant to Article 11 (2) of the Act, after examining the appropriateness thereof.

#### **Article 17 (Detailed Procedures for Designation, Change, and Cancellation of Designation, of National High-Tech Strategic Technology)**

Except as otherwise provided in Articles 14 through 16, matters necessary for the specific matters, detailed procedures, etc. for designation, change, and cancellation of designation, of national high-tech strategic technologies shall be determined and publicly notified by the Minister of Trade, Industry and Energy.

#### **Article 18 (Approval for Export of National High-Tech Strategic Technology)**

(1) An institution which has a national high-tech strategic technology intending to obtain approval for export of national high-tech strategic technology pursuant to Article 12 (1) of the Act (hereinafter referred to as "strategic technology holder") shall submit to the Minister of Trade, Industry and Energy an application for approval for export of national high-tech strategic technology prescribed by Ordinance of the Ministry of Trade, Industry and Energy, along with the following documents:

1. A contract on sale or transfer of the national high-tech strategic technology (including a provisional contract thereon);
  2. Matters regarding the purchaser of the national high-tech strategic technology or a person intending to receive transfer of the national high-tech strategic technology;
  3. Technical data indicating the use and performance of the national high-tech strategic technology;
  4. Conditions and methods for the provision of the national high-tech strategic technology;
  5. Market size and the competitiveness level of the related products using the national high-tech strategic technology;
  6. Data concerning the research and development expenses subsidized by the State (only applicable to cases where there are research and development expenses subsidized by the State).
- (2) Upon receipt of an application under paragraph (1), the Minister of Trade, Industry and Energy shall have a consultation with the head of a relevant central administrative agency within 45 days from the date of receipt and inform the applicant of the results of 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"). In such cases, if a separate technology examination is required with respect to the national high-tech strategic technology for which the application for approval is filed, the period required therefor shall not be included in calculating the period referred to in the former part.

(3) When the Minister of Trade, Industry and Energy grants approval pursuant to Article 12 (2) of the Act, he or she may attach necessary conditions, such as submission of export performance records and submission of evidentiary documents.

#### **Article 19 (Cross-Border Acquisition and Merger by Strategic Technology Holders)**

(1) "Before proceeding with a foreign investment such as cross-border acquisition, merger, or joint venture prescribed by presidential decree" in Article 13 (1) of the Act means the following cases:

1. Where a foreigner, alone or in combination with the following persons, intends to own more than 50 percent of the shares or equity interests (including the right to convert into shares or equity interests or to acquire shares or equity interests in the future; hereinafter referred to as "shares, etc.") of a strategic technology holder (including where he or she intends to own less than 50 percent of the shares, etc. becoming the majority owner of the shares, etc. and being able to exercise a dominant influence over the appointment of executive officers or management of the strategic technology holder):

(a) A spouse, blood relative within the eighth degree, and in-law within the fourth degree of the foreigner;

(b) A corporation where the foreigner, either alone or by contract or agreement with a major shareholder or major equity holder, may exercise dominant influence over major decisions or the execution of business, such as organizational changes or investment in new business;

(c) A company in which the foreigner, either alone or by contract or agreement with a major shareholder or major equity holder, may appoint and dismiss a representative or appoint more than 50 percent of the executive officers;

2. Where a foreigner intends to manage all or a major part of the strategic technology holder's business by transfer, lease, or management contract;

3. Where a foreigner lends money to or makes contributions to a strategic technology holder and is able to exercise a dominant influence over the appointment of a majority of its executive officers.

(2) "Foreigner prescribed by Presidential Decree." in Article 13 (2) of the Act means the following:

1. An individual who has no nationality of the Republic of Korea;

2. A corporation established pursuant to a statute of a foreign state;

3. An agency which vicariously conducts external economic cooperation affairs of a foreign government;

4. An international organization which deals with affairs concerning development finance, such as the International Bank for Reconstruction and Development, the International Finance Corporation, and the Asian Development Bank;

5. An international organization which deals with or vicariously conducts foreign investment affairs.

#### **Article 20 (Application for Approval of Cross-Border Acquisition and Merger)**

(1) A strategic technology holder who intends to obtain approval of a foreign investment, such as cross-border acquisition, merger, or joint venture pursuant to Article 13 (1) of the Act (hereinafter referred to as "cross-border acquisition, merger, etc."), shall submit to the Minister of Trade, Industry and Energy an application for approval of cross-border acquisition, merger, etc. of national high-tech strategic technology prescribed by Ordinance of Trade, Industry and Energy, accompanied by the following documents:

1. A contract or plan related to the cross-border acquisition, merger, etc.;
  2. Data concerning the name, major stockholder status, sales amount, total assets amount, and business details of a foreigner who intends to proceed with cross-border acquisition, merger, etc.;
  3. Data concerning the details of the relevant cross-border acquisition, merger, etc. and the current status of the related markets;
  4. Technical data concerning the use and performance of the national high-tech strategic technology;
  5. Data concerning the conditions and methods for the provision of the national high-tech strategic technology;
  6. Data concerning the market size and the competitiveness level of the related products using the national high-tech strategic technology;
  7. Data concerning the research and development expenses subsidized by the State (only applicable to cases where there are research and development expenses subsidized by the State).
- (2) Upon receipt of an application under paragraph (1), the Minister of Trade, Industry and Energy shall have a consultation with the head of the relevant central administrative agency within 45 days from the date of receipt of the application and inform the applicant of the results of deliberation by the Industrial Technology Protection Committee in writing. In such cases, if a separate examination of technology is required with respect to national high-tech strategic technologies subject to approval, the period required therefor shall not be included in calculating the period under the former part.

#### **Article 21 (Reporting on Cross-Border Acquisition and Merger in Progress)**

(1) Pursuant to Article 13 (2) of the Act, a strategic technology holder who intends to report cross-border acquisition, merger, etc. in progress shall submit to the Minister of Trade, Industry and Energy a report on cross-border acquisition, merger, etc. of national high-tech strategic technology prescribed by Ordinance of the Ministry of Trade, Industry and Energy, accompanied by the documents listed in the subparagraphs of Article 20 (1) (the documents listed in subparagraph 1 of that paragraph shall be submitted only if the strategic technology holder has them).

(2) Upon receipt of a report under paragraph (1), the Minister of Trade, Industry and Energy shall, in the course of performing the procedures for granting approval for the relevant cross-border acquisition, merger, etc. under Article 13 (3) of the Act, inform the person who reported the cross-border acquisition, merger, etc. in progress and the foreigner who intends to proceed therewith of the results of deliberation by the Industry Technology Protection Committee in writing after consulting with the head of the relevant central administrative agency. In such cases, if a separate technology examination is required with respect

to national high-tech strategic technologies subject to approval, the period required therefor shall not be included in calculating the period under the former part.

(3) The Minister of Trade, Industry and Energy may request the foreigner who intends to proceed with overseas acquisition, merger, etc. in the course of approval under paragraph (2) to submit necessary data, etc. In such cases, the period required for data submission shall not be included in calculating the period under the former part of paragraph (2).

#### **Article 22 (Prior Examination of Cross-Border Acquisition and Merger)**

(1) A person who intends to apply for prior examination as to whether cross-border acquisition, merger, etc. subject to approval are related to national or economic security pursuant to Article 13 (6) of the Act shall submit to the Minister of Trade, Industry and Energy an application for prior examination of cross-border acquisition, merger, etc. of national high-tech strategic technology prescribed by Ordinance of the Ministry of Trade, Industry and Energy, together with the following documents:

1. Data concerning the name, major stockholder status, sales amount, total assets amount and business details of a foreigner who intends to proceed with cross-border acquisition, merger, etc.;
  2. Data concerning the details of the relevant cross-border acquisition, merger, etc. and the current status of the related markets;
  3. Technical data concerning the use and performance of the national high-tech strategic technology;
  4. Data concerning the conditions and methods for the provision of the national high-tech strategic technology;
  5. Data concerning the market size and the competitiveness level of the related products using the national high-tech strategic technology;
  6. Other data determined and publicly notified by the Minister of Trade, Industry and Energy, which are documents necessary for a prior examination of cross-border acquisition, merger, etc.
- (2) Article 17 (2) and (3) of the Enforcement Decree of the Act on Prevention of Divulgence and Protection of Industrial Technology shall apply mutatis mutandis to the notification, etc. of the prior examination of cross-border acquisition, merger, etc. under paragraph (1).

#### **Article 23 (Protective Measures for National Cutting-Edge Strategic Technology)**

"Matters prescribed by Presidential Decree" in Article 14 (1) 3 of the Act means the following:

1. Granting protection grades to national high-tech strategic technologies and enacting and amending security management regulations;
2. Designating the manager of the national high-tech strategic technologies and dedicated security personnel;
3. Managing security at communication facilities and of means of communication in the protection zones of national high-tech strategic technologies;

4. Protecting data on the process and results of processing information related to national high-tech strategic technologies;
5. Managing specialized personnel handling national high-tech strategic technologies;
6. Providing security education for specialized personnel handling national high-tech strategic technologies;
7. Establishing a response system for divulgence of the national high-tech strategic technologies.

#### **Article 24 (Application for Designation of Specialized Personnel)**

(1) A person who intends to apply for designation of specialized personnel, etc. handling national high-tech strategic technologies pursuant to Article 14 (2) of the Act shall file an application with the Minister of Trade, Industry and Energy for designation of specialized personnel, etc. prescribed by Ordinance of the Ministry of Trade, Industry and Energy, along with the following documents:

1. Reasons for and period of designation of the specialized personnel, etc.;
2. Measures for the management of specialized personnel, etc. to prevent divulgence of national high-tech strategic technology;
3. The personal information of specialized personnel and persons in charge of the position (including names, dates of birth, careers, and academic attainments);
4. Other matters that the Minister of Trade, Industry and Energy deems necessary for the designation of specialized personnel, etc.

(2) Pursuant to Article 14 (4) of the Act, contracts entered into with specialized personnel, etc. shall be in accordance with the standard contract determined by the Minister of Trade, Industry and Energy in consultation with the Minister of Employment and Labor.

(3) "Matters prescribed by Presidential Decree" in Article 14 (4) 3 of the Act means the following:

1. Provision of information related to occupational transfer and establishment of business;
2. Disciplinary measures for breach of a contract;
3. Plans for extended work for the development and fostering of the national high-tech strategic technology and as part of protective measures;
4. Plans to support allowances, welfare, career development, etc. for specialized personnel and positions handling national high-tech strategic technologies (hereinafter referred to as "specialized personnel, etc.").

(4) "Cases prescribed by Presidential Decree" in Article 14 (5) 3 of the Act means the following:

1. If there is substantial reason to suspect that the relevant specialized personnel have violated a clause restricting transfer to the same type of overseas business and preventing divulgence of confidential information related to national high-tech strategic technology in a contract under Article 14 (4) of the Act;
2. If there is substantial reason to suspect that the relevant specialized personnel have committed any prohibited act prescribed in Article 15 of the Act.

(5) A strategic technology holder who intends to apply for the provision of immigration information under Article 14 (5) of the Act shall submit to the Minister of Trade, Industry and Energy an application for the provision of immigration information of the personnel specialized in national high-tech strategic technology prescribed by Ordinance of the Ministry of Trade, Industry and Energy.

(6) Where unavoidable to conduct affairs under Article 14 (6) of the Act, the Minister of Trade, Industry and Energy may process data, including resident registration numbers, passport numbers, or alien registration numbers referred to in subparagraph 1, 2, or 4 of Article 19 of the Enforcement Decree of the Personal Information Protection Act.

**Article 25 (Legitimate Channels of Provision of Information Including Industry Technologies)**

"Legitimate channels prescribed by Presidential Decree, including litigation related to strategic technologies" in subparagraph 8 of Article 15 of the Act means any litigation or adjudication procedures under the subparagraphs of Article 13 (4).

## CHAPTER IV DESIGNATION OF SPECIALIZED COMPLEXES FOR NATIONAL HIGH-TECH STRATEGIC INDUSTRIES AND SPECIAL CASES

**Article 26 (Requirements and Procedures for Designating Specialized Complexes)**

(1) The requirements for designation of a specialized complex for national high-tech strategic industries under Article 16 (1) of the Act (hereinafter referred to as "specialized complex") shall be as follows:

1. It shall have the effect of clustering, or strengthening the competitiveness, of national strategic industries, etc.;
  2. It shall be able to secure the necessary infrastructure for a specialized complex;
  3. It shall have a high possibility of development of national strategic industries in connection with main industries in the area where the specialized complex is located;
  4. It shall be easy to secure specialized personnel related to national strategic industries, etc.;
  5. It shall have the potential for sustainable development by enhancing organic linkages with the urban development and industrial development of the competent Special Metropolitan City, Metropolitan City, Special Self-Governing City, Do, or Special Self-Governing Province (hereinafter referred to as "City/Do");
  6. It shall meet other requirements publicly notified by the Minister of Trade, Industry and Energy as deemed necessary to promote the national strategic industries, etc.
- (2) The head of a relevant central administrative agency, the Special Metropolitan City Mayor, a Metropolitan City Mayor, a Special Self-Governing City Mayor, a Do Governor, or a Special Self-Governing Province Governor (hereinafter referred to as "Mayor/Do Governor"), and enterprises, etc. related to national strategic industries, etc. may apply to the Minister of Trade, Industry and Energy for

designation of a specialized complex in accordance with Article 16 (1) of the Act.

(3) A person who intends to apply for the designation of a specialized complex pursuant to paragraph (2) shall submit to the Minister of Trade, Industry and Energy an application for designation prescribed by Ordinance of the Ministry of Trade, Industry and Energy, accompanied by a plan for fostering specialized complexes containing the following:

1. Basic objectives, and direction for mid- to long-term development, of a specialized complex;
2. The current status of national strategic industries, etc. and infrastructure in the region;
3. Matters regarding construction of innovative ecosystems of national strategic industries, etc.;
4. Matters regarding the establishment of infrastructure in a specialized complex;
5. Matters regarding the clustering of national strategic industries, etc. investment, personnel training, establishment of research base, and others;
6. Matters regarding securing financial resources to implement projects to strengthen the competitiveness of national strategic industries, etc.;
7. Matters regarding requests for administrative and financial support for the designation and operation of a specialized complex;
5. Other matters necessary for strengthening the competitiveness of a specialized complex.

(4) A person applying for the designation of a specialized complex pursuant to paragraph (2), if the area for which the application is to be filed is a specialized complex for materials, components, and equipment designated pursuant to Article 45 of the Act on Special Measures for Strengthening the Competitiveness of Materials, Components, and Equipment Industries may submit a fostering plan prepared pursuant to Article 68 (2) of the Enforcement Decree of that Act in lieu of the plan for fostering specialized complexes under paragraph (3).

(5) A person applying for the designation of a specialized complex shall have a prior consultation with the head of a local government, businesses entities, institutions, etc. related to the specialized complex to be designated when preparing a plan for fostering specialized complexes under paragraph (3).

(6) Upon receipt of an application under paragraph (2), the Minister of Trade, Industry and Energy shall determine whether to designate a specialized complex, after deliberation by the National Strategic Industry Committee and shall notify the head of a relevant central administrative agency or a Mayor/Do Governor of the results of such determination.

(7) Except as provided in paragraphs (1) through (6), the Minister of Trade, Industry and Energy shall determine and publicly notify the matters necessary for the designation of specialized complexes.

#### **Article 27 (Areas Designated as Specialized Complexes)**

(1) “Criteria prescribed by Presidential Decree” in Article 16 (1) 2 of the Act means the following:

1. A specific relocation or investment plan to establish a specialized complex shall be developed;
2. Products or services based on national high-tech strategic technologies shall be produced;

3. Research on and development of or commercialization of national high-tech strategic technologies shall be conducted.

(2) "Areas prescribed by Presidential Decree" in Article 16 (1) 3 of the Act means areas related to national strategic industries, etc. among specialized complexes for materials, components, and equipment designated pursuant to Article 45 of the Act on Special Measures for Strengthening the Competitiveness of Materials, Components, and Equipment Industries.

#### **Article 28 (Cancellation of Designation of Specialized Complexes)**

(1) Where the Minister of Trade, Industry and Energy intends to cancel the designation of a specialized complex pursuant to Article 17 of the Act, he or she shall refer the relevant matter to the National Strategic Industry Committee for deliberation.

(2) Where the Minister of Trade, Industry and Energy intends to cancel the designation of a specialized complex on any ground specified in Article 17 (1) 1 through 3 of the Act, he or she shall seek opinions from the Mayor/Do Governor having jurisdiction over the relevant specialized complex before undergoing deliberation by the National Strategic Industry Committee.

(3) Where a Mayor/Do Governor intends to request the cancellation of designation of a specialized complex pursuant to Article 17 (1) 4 of the Act, he or she shall submit a document stating the following to the Minister of Trade, Industry and Energy:

1. The name and location of the specialized complex the cancellation of designation of which is requested, and the reasons for requesting the cancellation of designation;
2. Expected problems with and management measures following the cancellation of the designation of the specialized complex;
3. Other matters determined and publicly notified by the Minister of Trade, Industry and Energy as necessary for examining the cancellation of designation of the specialized complex.

(4) When the Minister of Trade, Industry and Energy cancels the designation of a specialized complex under Article 17 of the Act, he or she shall publicly announce the following matters and notify the head of a relevant central administrative agency or the competent Mayor/Do Governor thereof without delay:

1. The name and location of the specialized complex whose designation is to be canceled;
2. The date of designation of the specialized complex and date of the cancellation thereof;
3. The reason for canceling the designation of the specialized complex.

(5) Except as provided in paragraphs (1) through (4), matters necessary for the cancellation of designation of a specialized complex shall be determined by the Minister of Trade, Industry and Energy.

#### **Article 29 (Policy Measures for Fostering Specialized Complexes)**

"Matters prescribed by Presidential Decree" in Article 18 (2) 9 of the Act means the following:

1. Matters regarding securing infrastructure necessary for a specialized complex;

2. Matters regarding securing specialized personnel related to the national strategic industries, etc. necessary for a specialized complex;
3. Matters regarding financing necessary for implementing policy measures for fostering specialized complexes;
4. Plans for supporting specialized complexes of the competent City/Do.

**Article 30 (Special Cases concerning Expedited Processing of Authorization or Permission under Other Statutes)**

(1) A person who intends to apply for expedited processing of authorization, permission, consultation, approval, etc. (hereinafter referred to as "authorization, permission, etc.") pursuant to Article 19 (1) of the Act shall submit to the Minister of Trade, Industry and Energy an application for expedited processing prescribed by Ordinance of the Ministry of Trade, Industry and Energy, along with a manual for the relevant authorization, permission, etc.

(2) "Matters prescribed by Presidential Decree" in Article 19 (1) 5 of the Act means expedited processing of authorization, permission, etc. in accordance with the following:

1. Designation of a district or approval for a project plan due to a development project under Article 27 (1) of the Landscape Act or the deliberation by a landscape committee related to the construction of buildings under Article 28 (1) of that Act;
2. Consultation on examination of factors influencing disasters and disaster impact assessment prescribed in Article 4 of the Countermeasures against Natural Disasters Act;
3. Consultation on administrative agencies' permission or dispositions under Article 13 of the Protection of Military Bases and Installations Act.

(3) Notification under Article 19 (4) of the Act shall be made by a notice of the results of expedited processing prescribed by Ordinance of the Ministry of Trade, Industry and Energy.

**Article 31 (Support for Operation of Specialized Complexes)**

(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" in Article 20

(1) 1 of the Act means the following facilities and infrastructure:

1. Gas supply facilities;
2. Roads;
3. Water supply facilities;
4. Power supply facilities;
5. Collective energy supply facilities;
6. Waste disposal facilities;
7. Wastewater treatment facilities;

8. Communications facilities;
  9. Utility tunnels in a specialized complex;
  10. Equipment and facilities necessary for joint research and development;
  11. Other safety and public facilities necessary for fostering specialized complexes, which are determined by the heads of the relevant central administrative agencies.
- (2) “Matters prescribed by Presidential Decree” in Article 20 (1) 2 of the Act means the following:
1. Matters regarding the creation of sites for occupying enterprises and research institutes, the reduction of and exemption from rents, and the installation of various convenience facilities, such as medical facilities, educational facilities, and residences;
  2. Matters regarding promoting the welfare of employees related to the national strategic industries, etc.;
  3. Matters regarding the supply of water, the prevention of industrial accidents, and the prevention of environmental pollution;
  4. Matters regarding the training and utilization of human resources, and the education and training of current employees;
  5. Matters regarding the improvement of productivity and the promotion of export, such as technological development and solidarity and cooperation among enterprises taking occupancy in a specialized complex.

### **Article 32 (Installation and Management of Industrial Infrastructure)**

- (1) The Minister of Trade, Industry and Energy may subsidize the following expenses incurred for industrial infrastructure built in a specialized complex under Article 20 (1) of the Act:
1. Expenses required for the maintenance, repair, or improvement of industrial infrastructure maintained and managed by business entities engaged in national strategic industries, etc.;
  2. Expenses required for the maintenance, repair, or improvement of industrial infrastructure that has been diagnosed as requiring repair or reinforcement as a result of safety inspections conducted in accordance with relevant statutes or regulations, such as the Special Act on the Safety Control and Maintenance of Establishments and Traffic Safety Act.
- (2) Where a project implementer who intends to establish industrial infrastructure intends to obtain the following authorization, permission, etc. pursuant to Article 20 (3) of the Act, the heads of the relevant central administrative agencies and the heads of local governments shall cooperate with him or her in obtaining authorization, permission, etc. expeditely and efficiently:
1. Permission to occupy or use public waters under Article 8 of the Public Waters Management and Reclamation Act;
  2. Designation of an implementer of an urban or Gun planning facility project under Article 86 of the National Land Planning and Utilization Act and authorization of an implementation plan for an urban or Gun planning facility project under Article 88 of that Act;

3. Permission for the diversion of farmland under Article 34 of the Farmland Act;
4. Permission for road works under Article 36 of the Road Act and permission to occupy and use roads under Article 61 of that Act;
5. Permission to build a private road under Article 4 of the Private Road Act;
6. Permission for conversion of mountainous districts under Article 14 of the Mountainous Districts Management Act;
7. Authorization for installation of a private-use waterwork under Article 52 of the Water Supply and Waterworks Installation Act, or authorization for installation of a private-use industrial waterwork under Article 54 of that Act;
8. Approval of a construction plan under Article 22 of the Integrated Energy Supply Act;
9. Permission for the execution of construction work related to public sewerage system under Article 16 of the Sewerage Act;
10. Permission for the execution of a river work under Article 30 of the River Act and permission for the occupation and use of a river under Article 33 of that Act;
11. Permission for the implementation of a harbor development project under Article 9 (2) of the Harbor Act.

#### **Article 33 (Support for Enterprises Taking Occupancy in Specialized Complex)**

(1) The details of the projects and rates of reduction of, or exemption from, usage fees or loans for public property under Article 21 (2) of the Act shall be prescribed by ordinance of the relevant local government, taking into account the impact on job creation, specialized complexes, local economic revitalization, and the like.

(2) Any person who intends to have the usage fees or loans for public property reduced or exempted under Article 21 (2) of the Act, or to renew or extend the lease period pursuant to Article 21 (4) of the Act shall file an application for reduction of or exemption from the usage fees or loans for public property with the head of a local government, as prescribed by ordinance of the local government.

(3) The head of a local government may provide support for the preferential use of various facilities installed in a specialized complex, the reduction of or exemption from usage fees, etc. in order to promote the technology development, commercialization, etc. of enterprises taking occupancy in the specialized complex.

#### **Article 34 (Special Cases concerning Expedited Processing of Civil Petitions)**

"Civil petitions prescribed by Presidential Decree" in subparagraph 5 of Article 23 of the Act means the following: <Amended on Nov. 29, 2022>

1. Processing of applications for building permission submitted under Article 11 of the Building Act;
2. Inspection of applications for approval for use submitted under Article 22 of the Building Act and notification of results thereof;

3. Processing of permission for production of high-pressure gas under Article 4 of the High-Pressure Gas Safety Control Act;
4. Processing of applications for interim inspections and applications for completion inspections submitted under Article 16 of the High-Pressure Gas Safety Control Act;
5. Processing of applications for permission to engage in development activities under Article 57 of the National Land Planning and Utilization Act;
6. Examination of documents in which the findings of a traffic impact assessment are arranged submitted under Article 16 of the Urban Traffic Improvement Promotion Act and notification of the findings ;
7. Deliberation on cultural heritage under Article 8 of the Cultural Heritage Protection Act and examination of the impact on the preservation of cultural heritage under Article 13 of that Act;
8. Review of hazard prevention plans submitted under Article 42 of the Occupational Safety and Health Act;
9. Processing of approval of contracts under Article 59 of the Occupational Safety and Health Act;
10. Processing of regulatory exemptions for demonstration of a product related to strategic technology, for which an application is filed under Article 10-3 of the Industrial Convergence Promotion Act;
11. Processing of temporary permission for strategic technology-related products for which an application is filed under Article 10-6 of the Industrial Convergence Promotion Act;
12. Consent to building permission under Article 6 of the Act on Installation and Management of Firefighting Systems;
13. Acceptance of reports on performance-oriented design under Article 8 (3) of the Act on Installation and Management of Firefighting Systems;
14. Consultation on plans to supply required energy and plans on the rational use of energy and the evaluation thereof submitted under Article 10 of the Energy Use Rationalization Act;
15. Deliberation on applications for safety evaluation filed for an examination of special cases concerning technical standards of the location, structure, and equipment of a factory and a storing and handling place and notification of the results thereof under Article 5 of the Act on the Safety Control of Hazardous Substances;
16. Examination of permission to construct or alter facilities for hazardous substances and notification of the results thereof under Article 6 of the Act on the Safety Control of Hazardous Substances;
17. Examination of factors influencing disasters, and consultations on disaster impacts assessment and notification of the results thereof under Article 5 of the Countermeasures against Natural Disasters Act;
18. Examination of underground safety assessment reports submitted under Article 15 of the Special Act on Underground Safety Management and notification of the results thereof.

## **CHAPTER V SUPPORT FOR INNOVATIVE DEVELOPMENT OF NATIONAL STRATEGIC INDUSTRIES AND**

# ESTABLISHMENT OF FOUNDATION

## **Article 35 (Support for Innovative Development of Small and Medium Enterprises)**

“Support prescribed by Presidential Decree” in subparagraph 8 of Article 24 of the Act means the following support:

1. Implementation of policy measures for spreading economic and technical ripple effects of national strategic industries, etc.;
2. Cooperation among industry, academia, and research related to national strategic industries, etc.;
3. Support for moving into specialized complexes;
4. Guidance and advice for establishing protective measures for national high-tech strategic technologies;
5. Support for encouraging investment by utilizing the fund of funds for venture investment under Article 32 (1) of the Act;
6. Identification of and support for solidarity cooperation models under Article 42 of the Act;
7. Other matters that the Minister of Trade, Industry and Energy deems necessary to support innovative development of small and medium enterprises engaging in national strategic industries, etc.

## **Article 36 (Implementation of National High-Tech Strategic Technology Development Projects)**

"Projects prescribed by Presidential Decree" in Article 25 (1) 5 of the Act means the following projects:

1. Projects regarding the analysis of market trends and market competitiveness in the field of technology development;
  2. Projects regarding support in terms of human resources, information, funds, etc. necessary for the commercialization of technology development;
  3. Projects regarding managerial and technical guidance for technology development;
  4. Projects regarding support for the inducement of private investment and the linkage therewith for technology development;
  5. Projects regarding survey and analysis of information for technology transactions and transfer;
  6. Projects regarding brokerage and mediation for the introduction of overseas technologies;
  7. Other projects deemed necessary by the Minister of Trade, Industry and Energy or the heads of the relevant central administrative agencies for technology development.
- (2) Where the Minister of Trade, Industry and Energy or the head of a relevant central administrative agency intends to implement a technology development project pursuant to Article 25 (1) of the Act, he or she shall formulate and publicly announce a detailed implementation plan.
- (3) Where the Minister of Trade, Industry and Energy or the head of a relevant central administrative agency requires an institution, an organization, or a business entity referred to in the subparagraphs of Article 25 (3) of the Act to implement a technology development project, he or she shall conclude an agreement including the following with the relevant institution, etc.:

1. Tasks of the technology development project;
2. Any person in charge of the technology development project;
3. The amount of contributions under Article 25 (6) of the Act.
4. Matters regarding the utilization of the outcomes of the technology development project and the payment of royalties;
5. Matters regarding the settlement of expenses incurred in connection with the technology development project.

### **Article 37 (Institutions Conducting National High-Tech Strategic Technology Development Projects)**

"Institutions, organizations, or business entities prescribed by Presidential Decree" in Article 25 (3) 7 of the Act means the following:

1. Research institutes affiliated with universities, graduate schools, and graduate school universities or colleges under Articles 25, 29, and 30 of the Higher Education Act;
2. Business-affiliated research institutes recognized under Article 14-2 (1) of the Basic Research Promotion and Technology Development Support Act;
3. Industrial technology research cooperatives under the Industrial Technology Research Cooperatives Support Act;
4. The Korea Institute for Robot Industry Advancement under Article 41 of the Intelligent Robots Development and Distribution Promotion Act;
5. Safety certification bodies under Article 4 (1) of the Electrical Appliances and Consumer Products Safety Control Act;
6. The Korea Environmental Industry and Technology Institute established under the Korea Environmental Industry and Technology Institute Act;
7. Other institutions, organizations, or enterprises which the Minister of Trade, Industry and Energy or the head of a relevant central administrative agency deems appropriate for the implementation of a technology development project.

### **Article 38 (Payment, Use, and Management of Contributions)**

(1) Where the Minister of Trade, Industry and Energy or the head of a relevant central administrative agency pay contributions prescribed in Article 25 (6) of the Act, he or she may pay the contributions in lump sum or in installments, taking into account the progress of the technology development project and the like.

(2) A technology development business entity that receives the contributions under paragraph (1) shall establish and manage a separate account for the contributions.

(3) Contributions paid under paragraph (1) shall be used only for the purposes of a technology development project, as determined by the Minister of Trade, Industry and Energy or the head of the relevant central administrative agency.

### **Article 39 (Special Accounts for Supporting National Strategic Industries)**

"Special accounts and funds prescribed by Presidential Decree" in subparagraph 3 of Article 28 of the Act means the following special accounts and funds:

1. The Public Capital Management Fund under the Public Capital Management Fund Act;
2. The Korea Technology Finance Corporation established under the Korea Technology Finance Corporation Act;
3. The Climate Response Fund established under Article under Article 69 of the Framework Act on Carbon Neutrality and Green Growth for Coping with Climate Crisis;
4. The Trade Insurance Fund established under Article 30 of the Trade Insurance Act;
5. The Fund for the Promotion of Development and Commercialization of Industrial Technology established under Article 37-2 of the Industrial Technology Innovation Promotion Act;
6. The Korea Credit Guarantee Fund established under the Korea Credit Guarantee Fund Act;
7. Special accounts for projects related to energy and resources under the Energy and Resources Special Account Act;
8. The Electric Power Industry Basis Fund under Article 48 of the Electric Utility Act;
9. Fund for the Establishment and Promotion of Small and Medium Enterprises and Startups under Article 63 of the Small and Medium Enterprises Promotion Act;
10. The key industry stabilization fund for overcoming crisis and protecting employment under Article 29-2 of the Korea Development Bank Act;
11. Other funds publicly notified by the Minister of Trade, Industry and Energy as deemed necessary to foster national strategic industries, etc.

### **Article 40 (Applications for Regulatory Improvement)**

(1) An enterprise related to national strategic industries, etc., which intends to apply for regulatory improvement necessary for its activities (hereinafter referred to as "regulatory improvement") in relation to research and development, testing, evaluation, verification, and production activities related to national strategic industries, etc. pursuant to Article 29 (1) of the Act shall submit a request for regulatory improvement prescribed by Ordinance of the Ministry of Trade, Industry and Energy to the Minister of Trade, Industry and Energy.

(2) Where the Minister of Trade, Industry and Energy presents the results of the examination by the relevant administrative agency under Article 29 (2) of the Act to the National Strategic Industry Committee, he or she may require a specialized committee to pre-deliberate thereon.

(3) A specialized committee may, if necessary for deliberation under paragraph (1) request the relevant administrative agency to submit data or state its opinion.

(4) Where the National Strategic Industry Committee deliberates on the contents of an application, 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 under the former part of Article 29 (4) of the Act, it shall comprehensively consider the following:

1. Specificity and feasibility of the contents of the application for regulatory improvements;
2. Possibility of achieving objectives through regulatory improvements;
3. Ripple effects resulting from the relevant regulatory improvements;
4. Other matters that the chairperson of the National Strategic Industry Committee deems necessary for the examination of such regulatory improvements.

(5) Where the head of the relevant administrative agency initiates the improvement of relevant statutes or regulations or completes the improvement of the relevant statutes or regulations under Article 29 (5) of the Act, or where he or she grants an exemption pursuant to paragraph (6) of that Article, he or she shall notify the National Strategic Industry Committee of such fact.

#### **Article 41 (Management and Supervision of Regulatory Improvement)**

(1) The head of a relevant administrative agency shall have public officials thereof manage and supervise the current status of implementation of projects by an enterprise which implements a project to which regulatory improvement is granted, whether it complies with matters subject to deliberation and determination on regulatory improvement, whether an accident has occurred, etc. pursuant to Article 30 (1) of the Act.

(2) An enterprise that implements a project to which regulatory improvement is granted shall submit the results of application of the regulatory improvement and project results, including the following items, in writing to the head of the relevant administrative agency and the Minister of Trade, Industry and Energy within three months after being granted to make the regulatory improvement: Provided, That where it is impracticable to submit a report within the relevant period for any unavoidable reason, the period may be extended only once by up to one month:

1. Status of implementation of the project;
2. Fulfillment of conditions attached to the granting of the regulatory improvement (only applicable where conditions are attached);
3. Whether there have been any safety accident or compensation for damages related to the project;
4. Matters additionally required to improve statutes or regulations.

(3) The head of the relevant administrative agency who has received the results of application of regulatory improvement and project results pursuant to paragraph (2) may request the enterprise to submit additional data if deemed necessary to supplement the results.

(4) The head of the relevant administrative agency may, pursuant to Article 30 (2) of the Act, order a person who has been granted a regulatory improvement to make corrections in cases falling under any of subparagraphs 2 through 4 of that paragraph for a specified period not exceeding six months: Provided, That if there is any unavoidable cause making it impossible to complete correction within the relevant period, the period may be extended only once by up to three months, upon request by the relevant

enterprise:

#### **Article 42 (Support for Encouraging Investment)**

(1) When the Minister of Trade, Industry and Energy consults with the Minister of SMEs and Startups pursuant to Article 32 of the Act, he or she may request the Korea Venture Investment Corporation established pursuant to Article 66 of the Venture Investment Promotion Act to formulate a plan for investment in national strategic industries, etc. by utilizing the fund of funds for venture investment prescribed in Article 70 of that Act.

(2) The Minister of Trade, Industry and Energy may implement the following projects to encourage investment in national strategic industries, etc.:

1. Identification, and training of, skilled investors;
2. Support for information exchange among investors concerning technology, markets, etc. related to the national strategic industries, etc.;
3. Research and study for the improvement of a system for inducing investment;
4. Other projects that the Minister of Trade, Industry and Energy deems necessary to encourage investments in national strategic industries, etc.

## **CHAPTER VI TRAINING OF SPECIALIZED PERSONNEL IN NATIONAL STRATEGIC INDUSTRIES**

#### **Article 43 (Projects for Training Specialized Personnel)**

"Projects for training personnel prescribed by Presidential Decree" in Article 35 (1) 4 of the Act means the following:

1. Projects relating to the utilization of skills and knowledge held by skilled personnel in national strategic industries, etc. such as retired workers, establishment of databases, and technology succession;
2. Projects relating to revitalization of exchange of specialized technical personnel;
3. Projects for training specialized personnel, such as investigation, analysis, evaluation, transactions of intellectual property rights, such as patents, etc. at home and abroad;
4. Other projects that the Minister of Trade, Industry and Energy or the head of the relevant central administrative agency deems necessary for training specialized technical personnel.

#### **Article 44 (Establishment and Operation of Vocational Education and Training Courses by Agreement)**

(1) The head of an industrial educational institution under the Industrial Education Enhancement and Industry-Academia-Research Cooperation Promotion Act (hereinafter referred to as "industrial educational institutions") who intends to receive a subsidy to cover part of the industrial entities' charges and part of the student tuitions pursuant to Article 36 (3) of the Act shall submit an application for a

subsidy to the Minister of Trade, Industry and Energy or the head of a relevant central administrative agency.

(2) Upon receipt of an application filed under paragraph (1), the Minister of Trade, Industry and Energy or the head of the relevant central administrative agency may provide the head of an industrial educational institution with a subsidy to cover part of the industrial entities' charges and part of the student tuitions within the budget pursuant to Article 36 (3) of the Act.

#### **Article 45 (Designation of Colleges Specialized in National High-Tech Strategic Industries)**

(1) The Minister of Trade, Industry and Energy may, in consultation with the Minister of Education, designate colleges or graduate schools specialized in national high-tech strategic industries (hereinafter referred to as "colleges, etc. specialized in national strategic industries") pursuant to Article 37 (1) of the Act.

(2) Where the Minister of Trade, Industry and Energy intends to designate colleges, etc. specialized in national strategic industries pursuant to Article 37 (1) 2 through 5 of the Act, he or she shall have a consultation with the Minister of Science and ICT thereon.

(3) Pursuant to Article 37 (1) of the Act, anyone who intends to receive designation as colleges, etc. specialized in national strategic industries shall file an application prescribed by Ordinance of Ministry of Trade, Industry and Energy with the Minister of Trade, Industry and Energy.

(4) Where the Minister of Trade, Industry and Energy designates colleges, etc. specialized in national strategic industries pursuant to Article 37 (1) of the Act, he or she shall publicly notify such fact.

(5) The details of support to be provided pursuant to Article 37 (2) of the Act shall be as follows:

1. Expenses to be subsidized for training specialized personnel in national strategic industries, etc.;
2. Expenses to be subsidized for research on national strategic industries, etc.;
3. Adjustment of the maximum number of students related to national strategic industries, etc.;
4. Matters regarding the expansion and utilization of teachers related to national strategic industries, etc.

(6) Except as provided in paragraphs (1) through (5), matters necessary for the standards and procedures for designating colleges, etc. specialized in national strategic industries shall be publicly notified by the Minister of Trade, Industry and Energy in consultation with the Minister of Education.

#### **Article 46 (Designation of Comprehensive Strategic Industry Education Centers)**

(1) "Educational and training institution for strategic industries, etc. established ... as prescribed by Presidential Decree" in Article 38 (1) 3 of the Act means an institution that meets all the following requirements:

1. It shall have educational facilities of at least 300 square meters;
2. It shall have at least three dedicated employees;
3. It shall operate educational programs for at least 180 days a year;

4. It shall have equipment for practice necessary to train specialized personnel related to national strategic industries, etc.

(2) "Institutions prescribed by Presidential Decree" in Article 38 (1) 4 of the Act means the following institutions:

1. The Korea Chamber of Commerce and Industry established under the Chambers of Commerce and Industry Act;

2. The Korea Productivity Center established under Article 32 of the Industrial Development Act.

(3) An institution or a corporation eligible for being designated as a comprehensive strategic industry education center under Article 38 (1) of the Act means an institution or a corporation that meets all the following requirements:

1. It shall be the following institutions:

(a) Government-funded research institutes established under the Act on the Establishment, Operation and Fostering of Government-Funded Research Institutes;

(b) Non-profit corporations established under Article 32 of the Civil Act as a corporation related to strategic industries, etc.;

(c) Corporations related to strategic industries, etc., established under special Acts (excluding for-profit corporations);

2. It shall have at least four dedicated human resources:

(a) Persons with a master's degree or higher in a related field;

(b) Persons with a bachelor's degree who have served in a field related to national high-tech strategic industries for at least two years at a corporation or an organization;

(c) Persons who have at least two years' experience in consulting services related to national high-tech strategic industries after being qualified as management consultant or technology consultant under Article 3 of the Act on Management Consultants and Technology Consultants.

(4) An institution that intends to be designated as a comprehensive strategic industry education center pursuant to Article 38 (1) of the Act shall submit to the Minister of Trade, Industry and Energy an application for designation as a comprehensive strategic industry education center in the form prescribed by Ordinance of the Ministry of Trade, Industry and Energy, along with the following documents:

1. Documents stating the purpose of, reason, etc. for applying for designation;

2. Articles of association;

3. Documents stating the name of the institution which intends to apply for designation as a comprehensive strategic industry education center, the location of its main office, and the name and address of its representative;

4. Business plans and budget for revenues and expenditures;

5. Lists of property and documents proving the contribution of property.

(5) Upon designation of a comprehensive strategic industry education center under Article 38 (1) of the Act, the Minister of Trade, Industry and Energy shall issue a certificate of designation of a comprehensive

strategic industry education center prescribed by Ordinance of the Ministry of Trade, Industry and Energy.

(6) Where the Minister of Trade, Industry and Energy has designated a comprehensive strategic industry education center, he or she shall make a public announcement of the following matters in the Official Gazette or on the Ministry's website:

1. The name of the center; and its representative's name and address;
2. The scope and details of the projects of the center.

#### **Article 47 (Payment, Use, and Management of Contributions)**

(1) Where the Minister of Trade, Industry and Energy grants contributions prescribed in Article 38 (2) of the Act, he or she may pay the contributions in lump sum or in installments, taking into account the progress of the projects for training specialized personnel conducted by a comprehensive strategic industry education center.

(2) A comprehensive strategic industry education center to whom contributions are paid under paragraph (1) shall establish and manage a separate account for the contributions.

(3) Contributions made under paragraph (1) shall be used only for the purpose of a project designed to train personnel in strategic industries by a comprehensive strategic industry education center, as determined by the Minister of Trade, Industry and Energy.

#### **Article 48 (Utilization of Information on Excellent Overseas Human Resources)**

Pursuant to Article 39 (2) of the Act, the Minister of Trade, Industry and Energy may utilize outcomes obtained from surveys and analysis of specialized personnel of overseas universities, research institutes, and enterprises in the following projects:

1. Projects for identifying and attracting excellent overseas human resources;
2. International exchange projects for the fostering of excellent domestic human resources;
3. Other projects necessary for identifying and attracting excellent overseas human resources related to national high-tech strategic technology.

## **CHAPTER VII FACILITATION OF SOLIDARITY AND COOPERATION IN INDUSTRIAL ECOSYSTEMS**

#### **Article 49 (Solidarity and Cooperation Council)**

(1) The solidarity and cooperation council prescribed in Article 41 (1) of the Act (hereinafter referred to as "solidarity and cooperation council") shall be composed of not more than 20 members, including one chairperson.

(2) The chairperson of the solidarity and cooperation council shall be elected by and from among its members.

(3) Members of the solidarity and cooperation council shall be commissioned by the Minister of Trade, Industry and Energy, from among persons who have abundant knowledge of or experience in the field of national strategic industries, etc.

(4) The solidarity and cooperation council may present its opinion to the National Strategic Industry Committee with regard to important matters relating to a solidarity cooperation scheme related to strengthening the competitiveness of national strategic industries, etc.

(5) Except as provided in paragraphs (1) through (4), matters necessary for operating the solidarity and cooperation council shall be determined by the chairperson of the solidarity and cooperation council by resolution of the solidarity and cooperation council.

(6) "Matters prescribed by Presidential Decree" in Article 41 (1) 3 of the Act means the following matters:

1. Matters regarding the scope of the projects subject to solidarity and cooperation and the methods for implementing such projects;
2. Matters regarding the adjustments of matters requiring solidarity and cooperation with industrial circles and relevant central administrative agencies to strengthen the competitiveness of national strategic industries, etc.;
3. Matters regarding the establishment and operation of cooperation systems related to national strategic industries, etc.;
4. Matters regarding the mediation of disputes between the enterprises, institutions, or organizations engaging in the national strategic industries, etc. in the course of implementing solidarity and cooperation projects.

#### **Article 50 (Procedures for Selecting Solidarity Cooperation Models)**

(1) Upon receipt of a plan submitted under Article 42 (2) of the Act, the National Strategic Industry Committee shall determine whether to select a solidarity cooperation model eligible for support, the scope and conditions of support, etc. after deliberation by the solidarity and cooperation council and the National Strategic Industry Committee.

(2) The Minister of Trade, Industry and Energy shall notify applicants for the support for a solidarity cooperation model of the details of deliberation by the solidarity and cooperation council and the National Strategic Industry Committee prescribed in paragraph (1).

(3) Except as provided in paragraphs (1) and (2), the Minister of Trade, Industry and Energy shall determine and publicly notify the methods and procedures necessary for the identification and selection of solidarity cooperation models.

#### **Article 51 (Support for Solidarity Cooperation Models)**

(1) The Minister of Trade, Industry and Energy may request the head of a relevant central administrative agency and the head of a local government to render preferential treatment, when he or she provides support under Article 43 (1) of the Act or determine whether to provide such support, to a solidarity

cooperation model selected pursuant to Article 50 (1).

(2) Upon receipt of a request under paragraph (1), the head of the relevant central administrative agency or the head of the relevant local government shall reply to the results of examination to the Minister of Trade, Industry and Energy within 30 days; and where it is impracticable to make any reply within such period due to any unavoidable cause, he or she may request an extension of the reply period only once by up to 15 days.

(3) Upon receipt of a reply under paragraph (2), the Minister of Trade, Industry and Energy shall notify the applicants for the support for a solidarity cooperation model the details of support.

## CHAPTER VIII SUPPLEMENTARY PROVISIONS

### **Article 52 (Entrustment of Business Affairs)**

Pursuant to Article 47 (2) of the Act, the Minister of Trade, Industry and Energy shall entrust the following business affairs to the Korea Institute for Advancement of Technology established under Article 38 of the Industrial Technology Innovation Promotion Act, the Korea Evaluation Institute of Industrial Technology established under Article 39 of that Act, or a trade association related to national strategic industries, etc.:

1. Receipt of applications for determination of whether technology constitutes a national high-tech strategic technology under Article 11 (5) of the Act;
2. Receipt of applications for regulatory improvements under Article 29 (1) of the Act;
3. Receipt of requests from enterprises, etc. for the designation of national high-tech strategic technologies under Article 14 (2);
4. Receipt of applications from enterprises, etc. for the designation of specialized complexes under Article 26 (2);
5. Receipt of applications for expedited processing of authorization, permission, etc. under Article 30 (1);
6. Receipt of applications for the designation of colleges, etc. specialized in national strategic industries under Article 45 (3).

## CHAPTER IX PENALTY PROVISIONS

### **Article 53 (Administrative Fine)**

The criteria for imposing administrative fines under Article 51 (1) of the Act shall be as specified in the attached Table.

This Decree shall enter into force on August 4, 2022.

ADDENDA <Presidential Decree No. 33004, Nov. 29, 2022>

**Article 1 (Enforcement Date)**

This Decree shall enter into force on December 1, 2022. (Proviso Omitted.)

**Articles 2 through 17 Omitted.**

Last updated : 2023-08-30

