

# **Special Act on Jeju Free International City (Republic of Korea)**

By Ministry of Legislation

## INTRODUCTION

### **Details of Enactment and Amendment**

● Enactment: This Act was enacted as Act. No. 4485, the Special Act on Jeju-do Development on December 31, 1991 in order to foster the Jeju-do as an international tourist recreation center as well as to promote an improvement of residents' living environment and an activation of regional economy by drastically expanding the insufficient tourist infrastructures, as the foreign and domestic tourist demands for Jeju-do have been rapidly increasing, and by pertinently conserving and managing the graceful natural sceneries and the folk cultures peculiar to Jeju-do.

● Amendment: This act was wholly amended on two occasions (January 28, 2000; March 30, 2002), and therefore its title was altered to the Special Act on Jeju Free International City, and the institutional provisions were set up which ensure that the freedom of movement of people, commodities and capital and the convenience of enterprise's activities are guaranteed to the maximum limit and the international investment environments are fully prepared, in order to foster and develop Jeju-do into an international tourist and recreation city as well as an international free city performing the complex functions such as business, high-technology, distribution and financial industry.

### **Main Contents**

● To ensure that any foreigner may enter without a visa, and any foreigner so entered may move to other regions by obtaining a permit from the Minister of Justice except for the case as otherwise stipulated by the Minister of Justice only for Jeju-do.

● To ensure that the administrative agencies shall provide foreign language services in accepting and handling official documents in order to facilitate the convenience of the foreign investors.

● To prepare the basis in Jeju-do for a creation of internationalized educational environment, so as to expand the self-regulation for the qualification of domestic people for entering an international schools, establishment and operation of a foreign college, etc., and appointment, etc. of foreign teachers to the primary and middle school, and to make a special support from subsidy to local education finance.

● To ensure that the Jeju high-tech science and technology complex may be created for a fosterage of the high-tech knowledge industry, such as the biological industry, and in the mean time, with regard to the free trade zone to be crated in Jeju-do, a location of domestic-invested

enterprises is permitted, and to ensure that the corporate tax and income tax, etc. are reduced or exempted for the said located enterprises.

● To ensure that the corporate tax, income tax and customs, and the rental fees, etc. of the national and public properties are reduced or exempted for the domestic and foreign investors by introducing the system of Jeju investment promotion zone for inducing the investment in the tourist industries.

● To ensure that the customs, value-added tax, special consumption tax, liquor tax, etc. are reduced, exempted or refunded for the goods bought at the designated duty-free shops and carried outside Jeju-do by the domestic people travelling Jeju-do.

● To ensure that the taxes such as the special consumption tax and the additional charge, etc. under the National Sports Promotion Act are reduced or exempted for the act of admission to a golf course within Jeju-do.

Wholly Amended by Jan. 26, 2002 Act No. 6643

Amended by Feb. 4, 2002 Act No. 6655

## CHAPTER I GENERAL PROVISIONS

### ■ Article 1 (Purpose)

The purpose of this Act is to contribute to the growth of the nation by developing Jeju-do into a free international city and also to the improvement of welfare of its residents by encouraging them to preserve their own local culture as well as their nature and resources, foster their own local industries, and create pleasant living amenities.

### ■ Article 2 (Definitions)

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

1. The term "Free International City" means a regional unit in which special cases of the relaxation of regulations and national assistance are put into effect in order to guarantee to the maximum degree the convenience for the international movement of people, goods, and capital and for business activities;

2. The term "Master Plan for Jeju Free International City" (hereinafter referred to as the "Master Plan") means the comprehensive and fundamental plan formulated under Article 4 in order to achieve the purpose as defined in Article 1; and

3. The term "development project" means a project executed on the basis of the Master Plan as referred to in Article 4.

### ■ Article 3 (Obligation of State, etc.)

(1) The State shall formulate and implement a comprehensive policy for developing Jeju-do into a free international city and adopt the measures to support it.

(2) The local government of Jeju-do shall formulate and implement such plans and policies as may be required to enable Jeju-do to develop into a free international city, with the participation of its residents and in cooperation with other local governments.

## CHAPTER II FORMULATION, ETC. OF MASTER PLAN FOR JEJU FREE INTERNATIONAL CITY

### ■ Article 4 (Formulation of Master Plan)

(1) The Governor of Jeju-do (hereinafter referred to as the "*Do* governor") shall formulate the Master Plan that contain the matters of the following subparagraphs:

1. Matters concerning the fundamental policies for developing Jeju-do into a free international city;
2. Matters concerning the promotion of international exchanges and cooperation including the designation of Jeju-do as the "Island of World Peace";
3. Matters concerning the exploitation, development, and conservation of land, water, and other natural resources;
4. Matters concerning the exploitation, development, and conservation of the seas;
5. Matters concerning the conservation of the natural environment and the prevention of pollution thereof;
6. Matters concerning the development of the local society and the improvement of the living environment;
7. Matters concerning the promotion of agriculture, forestry, livestock farming and fishery;
8. Matters concerning the promotion of local industries in the areas of tourism, high- technology, distribution, finance, etc.;
9. Matters concerning the preservation of local culture and the advancement of culture and arts;
10. Matters concerning the exploitation, development, and preservation of tourist resources (including the resources of culture-based tourism);

11. Matters concerning public health, medical service, and social welfare;
12. Matters concerning the improvement of foreigner's accommodation;
13. Matters concerning the improvement of education and the nurture of talented people;
14. Matters concerning social infrastructures, such as roads, seaports, airports, information and communication system;
15. Matters concerning the development of water resources, electricity, and other energy resources;
16. Matters concerning the construction and promotion of infrastructure for local informatization;
17. Matters concerning arrangement for necessary financial resources to be invested in development projects, etc.; and
18. Such other matters as are deemed by the *Do* Governor to be necessary.

(2) In formulating the Master Plan, the *Do* Governor shall go through deliberation thereof by the Committee on the Deliberation of the Master Plan for Jeju Free International City as provided in Article 11 (hereinafter referred to as the "Master Plan Deliberation Committee").

(3) The Master Plan shall take precedence of any other development plans formulated under other Acts and subordinate statutes: *Provided*, That the same shall not apply in case of matters concerning military affairs.

(4) Necessary matters concerning the procedures and methods for the formulation of the Master Plan shall be determined by the Presidential Decree.

#### ■ Article 5 (Decision on Master Plan)

(1) The *Do* Governor shall obtain consent to the Master Plan from the Jeju-do Council (hereinafter referred to as the "*Do* Council") and consult with the heads of the relevant administrative agencies thereupon, and then shall decide thereon with the approval of the President after going through the deliberation of the Jeju Free International City Promotion Committee as provided in Article 10 (hereinafter referred to as the "Promotion Committee").

(2) In case of modification of the Master Plan, the *Do* Governor may modify it with the approval of the Prime Minister after obtaining consent thereto from the *Do* Council and going through the deliberation thereof from the Promotion Committee: *Provided*, That, as respects such minor items as provided by the Presidential Decree, they may be modified after the deliberation of the Master Plan Deliberation Committee.

(3) In case of modification or revocation of the Master Plan, the *Do* Governor shall take preventive measures for the residents concerned not to be liable to property damages.

(4) The *Do* Governor shall publicly notify the Master Plan decided or modified pursuant to paragraphs (1) and (2) under the conditions as prescribed by the Presidential Decree, of which he shall also notify the heads of the relevant central administrative agencies, the Jeju-do Superintendent of Education Board, the competent heads of *Shis/Guns*, and the Jeju Free International City Development Center as provided in Article 72 (hereinafter referred to as the "Development Center").

#### ■ Article 6 (Investment Plan by Year)

(1) The *Do* Governor shall formulate an investment plan by the year in line with the Master Plan and refer it to the Promotion Committee for deliberation before he obtains approval thereof from the Prime Minister. The same shall also apply in case where he desires to modify this plan.

(2) Necessary matters concerning the contents of the investment plan by year and the procedures and methods for the formulation thereof shall be determined by the Presidential Decree.

#### ■ Article 7 (Execution Plans)

(1) The Development Center shall formulate the project execution plans for the promotion of Jeju Free International City that it intends to implement in accordance with the Master Plan (hereinafter referred to as the "execution plans") and obtain approval thereof from the Minister of Construction and Transportation. The same shall apply also in case where he desires to modify the execution plans.

(2) In approving the execution plans under paragraph (1), the Minister of Construction and Transportation shall be required to hear the opinion of the *Do* Governor, and consult with the heads of the relevant central administrative agencies, on his proposal to approve it: *Provided*, that the same shall not apply in case of modification of such minor items as provided by the Presidential Decree.

(3) Necessary matters concerning the contents of the execution plans and the procedures and methods for the formulation thereof shall be determined by the Presidential Decree.

#### ■ Article 8 (Plans for Facilities Serving Large Area)

(1) If there is a need for a large area constituting the same life zone to be extensively developed for an efficient implementation of the Master Plan, the *Do* Governor may formulate and implement plans for facilities serving such a large area, after he has fulfilled obligations to hear the opinions of the heads of *Shis/Guns* concerned on his proposal to do so.

(2) There shall be included such projects as for facilities of transportation, water supply, sewage disposal, waste disposal, energy supply, information and communication, etc. in the plans for facilities serving a large area as referred to in paragraph (1), and a separate plan may, if necessary, be made in relation to a particular individual facility.

(3) The plans for facilities serving a large area as provided in paragraph (1) shall be referred to the Master Plan Deliberation Committee for deliberation before the *Do* Governor decides on the plans with the consent of the *Do* Council, and thereafter they shall publicly be notified under the conditions as prescribed by the Municipal Ordinance of Jeju-do (hereinafter referred to as the "Jeju-do Municipal Ordinance").

(4) The execution of the projects undertaken under the plan for facilities serving a large area as decided on and publicly notified under paragraph (3) shall be subject to the procedures as provided by the Acts relating to those projects concerned.

#### ■ Article 9 (Private Investment Promotion Plan)

(1) The *Do* Governor or the competent heads of *Shis/Guns* shall prepare a private investment promotion plan containing matters set forth in the following subparagraphs in order to formulate the investment plan by year as referred to in Article 6 and promote the attraction of private investments:

1. Scope of projects eligible for the attraction of private investment; and
2. Matters concerning assistance in attracting private investment.

(2) The *Do* Governor or the competent heads of the *Shis/Guns*, who have formulated the private investment promotion plan under paragraph (1), shall, under the conditions as prescribed by the Jeju-do Municipal Ordinance, publicly notify this plan and hold a meeting to give a briefing thereupon to those who desire to take part in development projects.

(3) A private investment promotion committee shall be established in the local government of Jeju-do in order to deliberate on the private investment promotion plan under paragraph (1) and assist activities for the promotion of the attraction of private investments, and an office of private investment promotion assistance shall also be established under the direct control of the *Do* Governor.

(4) Necessary matters concerning the organization and operation of the private investment promotion committee and the office of private investment promotion assistance as referred to in paragraph (3) shall be determined by the Jeju-do Municipal Ordinance.

### CHAPTER III JEJU FREE INTERNATIONAL CITY PROMOTION COMMITTEE, ETC.

#### ■ Article 10 (Jeju Free International City Promotion Committee)

(1) A Jeju Free International City Promotion Committee shall be established under the authority of the Prime Minister in order to deliberate on the matters of the following subparagraphs in relation to the development of Jeju Free International City:

1. Matters concerning the formulation and modification of the Master Plan;

2. Matters concerning the formulation and modification of the investment plan by year;
3. Matters concerning financial assistance required for the execution of development projects;
4. Matters concerning the designation and development of Jeju high-tech science and technology complex and Jeju investment promotion zone;
5. Matters concerning the designation of Jeju-do as the "Island of World Peace";
6. Matters concerning the execution of projects carried out by the Development Center;
7. Matters concerning coordination, etc. between the Development Center and the local governments in their performance of duties; and
8. Other matters concerning the development of Jeju Free International City.

(2) The Promotion Committee shall consist of not more than 30 members designated by the President, and the Prime Minister shall be its chairman.

(3) A working subcommittee on the Promotion of Jeju Free International City (hereinafter referred to as the "working subcommittee") shall be established under the Promotion Committee to examine and adjust in advance such cases as are submitted for the deliberation of the Promotion Committee as well as to deal with matters delegated by the Promotion Committee.

(4) Necessary matters concerning the organization, operation, etc. of the Promotion Committee and the working subcommittee, except such matters as provided in this Act, shall be determined by the Presidential Decree.

#### ■ Article 11 (Master Plan Deliberation Committee for Jeju Free International City)

(1) A Master Plan Deliberation Committee shall be established in Jeju-do in order to deliberate on matters that are related to the Master Plan, which are set forth in the following subparagraphs:

1. Matters concerning objectives, guidelines, and their criteria necessary for the formulation of the Master Plan;
2. Matters concerning the overall coordination in the Master Plan;
3. Matters concerning the deliberation on the plans for facilities serving a large area;
4. Matters concerning the reflection of the residents' opinion on the Master Plan and their participation therein;
5. Matters concerning the transfer of benefits that may result from development back to the area concerned;

6. Matters concerning the evaluation of the Master Plan; and

7. Such other matters as may be determined by the Jeju-do Municipal Ordinance.

(2) The Master Plan Deliberation Committee shall consist of not more than 23 members including one chairman and two vice chairmen.

(3) The *Do* Governor shall be chairman of the Master Plan Deliberation Committee, and the Deputy Governor for Administrative Affairs and a person elected from among the members of the Master Plan Deliberation Committee shall be vice chairmen.

(4) Members of the Master Plan Deliberation Committee shall be appointed or entrusted by the *Do* Governor under the conditions as prescribed by Jeju-do Municipal Ordinance: *Provided*, That the Jeju-do Superintendent of Education Board and the competent heads of *Shis/Guns* shall be *ex officio* members.

(5) Necessary matters concerning the organization, operation, etc. of the Master Plan Deliberation Committee, except such matters as provided in this Act, shall be determined by the Jeju-do Municipal Ordinance.

#### CHAPTER IV DESIGNATION OF ISLAND OF WORLD PEACE AND OVERSEAS COOPERATION

##### ■ Article 12 (Designation of Island of World Peace)

(1) The State may designate Jeju-do as Island of World Peace with a view to contributing to world peace and to establishing the peace and stability of the Korean peninsula.

(2) The State and local governments may carry out the following projects and activities necessary for performing the function and role as the Island of World Peace under paragraph (1):

1. Activities to invite organizations relating to international peace and cooperation to place their seats or offices in Jeju-do;
2. Establishment of a research institute for the study of international cooperation;
3. Activities to invite international conferences on world peace and cooperation to be held in Jeju-do;
4. Projects to promote mutual exchanges and cooperation between South and North Korea; and
5. Projects to promote other international cooperation.

(3) The State shall provide such administrative and financial assistance necessary for carrying out the projects and activities as referred to in paragraph (2).

(4) Necessary matters concerning the designation of the Island of World Peace and the execution of projects and activities relating thereto as well as administrative and financial assistance under paragraphs (1) through (3) shall be determined by the Presidential Decree.

#### ■ Article 13 (Overseas Cooperation)

The local government of Jeju-do may promote mutual cooperation and exchanges with the local governments of foreign countries in the fields of economy, culture, education, science, technology, sports, environment, tourism, etc.

### CHAPTER V VISA-FREE ENTRY AND

#### PROMOTION OF SMOOTH FOREIGN LANGUAGE COMMUNICATION FOR CONVENIENCE OF FOREIGN VISITORS

#### ■ Article 14 (Entry of Foreigners)

(1) Foreigners who enter Jeju-do through its airport or seaport in order to stay there for the purpose of tourism, transit, etc. as defined in Article 10 of the Immigration Control Act as one of the categories of sojourn permit may, notwithstanding Article 7 of the same Act, be admitted without any visa unless they are nationals of such countries as are separately designated by the Minister of Justice.

(2) In the case of foreigners who enter Jeju-do under paragraph (1), their period of sojourn may, notwithstanding Article 10 of the Immigration Control Act, be determined by the Minister of Justice separately from the period of sojourn provided thereunder.

#### ■ Article 15 (Sojourn Area Extension Permit, etc.)

(1) If a national of such a country as is separately designated by the Minister of Justice, who has entered Jeju-do under Article 14, desires to travel from Jeju-do to other places within the Republic of Korea, the Minister of Justice may, at the request of the foreigner concerned, grant him a sojourn area extension permit under the conditions as prescribed by the Presidential Decree.

(2) Any person who has been granted a sojourn area extension permit under paragraph (1) may sojourn in other places within the Republic of Korea without any other visa.

(3) In granting a sojourn area extension permit, the Minister of Justice may, if deemed necessary, require a person who invited the foreigner concerned or other interested person to give a guarantee of the good behavior of the foreigner.

(4) In any case where a foreigner falls under any of the following subparagraphs, the Minister of Justice may revoke the sojourn area extension permit the foreigner has obtained under paragraph (1):

1. Where the guarantor for the foreigner withdraws his guarantee or where the guarantor has disappeared;
2. Where it is discovered that the foreigner has obtained the sojourn area extension permit, etc. by falsity or by other illegal method;
3. Where the foreigner failed to observe the conditions of the sojourn area extension permit he has been granted;
4. Where there comes into being a grave cause that may not be compatible with the continuation in force of the sojourn area extension permit due to change of circumstances; and
5. Where the foreigner is in grave violation of this Act or other Acts or where he has violated a legitimate order given by an immigration officer in the exercise of his duties.

(5) In any case where a foreigner who is required to obtain a sojourn area extension permit under paragraph (1) travels from Jeju-do to other area within the Republic of Korea, an immigration officer or any other competent officer may, in the exercise of his duties, ascertain whether the foreigner bears such a permit at the airport or the seaport of his departure.

(6) Procedures for the guarantee of a good behavior under paragraph (3), the revocation of permit under paragraph (4), and the ascertainment of sojourn area extension permit under paragraph (5) shall be determined by the Presidential Decree.

#### ■ Article 16 (Prohibition of Providing Ship Service, etc.)

(1) No person shall travel a foreigner who has failed to obtain a sojourn area extension permit under Article 15 (1), or shall assist him to be traveled, to other areas within the Republic of Korea.

(2) No person shall provide a foreigner who has failed to obtain a sojourn area extension permit under Article 15 (1) with shipping or flight service or other transportation service (hereinafter referred to as "shipping service, etc."), or offer him a passport or a seaman's passport, for the purpose of traveling him to other areas within the Republic of Korea.

(3) No person shall conceal a foreigner who has traveled, or is traveling, to other area within the Republic of Korea or assist him to escape, or provide him with shipping service, etc. for such purposes, in violation of Article 15 (1).

#### ■ Article 17 (Obligation of Carrier, etc.)

(1) In any case where a foreigner, who is required to obtain a sojourn area extension permit under Article 15 (1), is to board a ship, etc. plying between Jeju-do and other area within the Republic of Korea in order to travel from there to such other area, the captain or the carrier of this ship, etc. shall ascertain whether the foreigner has obtained the sojourn area extension permit and shall, if he failed to do so, prevent the foreigner from boarding.

(2) In any case where the captain or the carrier of a ship, etc. has become aware that the ship has been boarded by a foreigner who failed to obtain the permit as provided in Article 15 (1), the said captain or the said carrier shall, without delay, notify this fact to the chief of the district immigration office (hereinafter referred to as the "chief of the district office") or the chief of a branch office of the district immigration office (hereinafter referred to as the "chief of the branch office").

#### ■ Article 18 (Notifying Obligation of Public Officials, etc.)

In any case where a State or local public official has, in the process of performing his duty, discovered a foreigner who has traveled or is traveling from Jeju-do to other area within the Republic of Korea without the acquisition of the sojourn area extension permit as provided in Article 15 (1), he shall, without delay, notify this fact to the chief of the district office, branch office, or immigration processing center.

#### ■ Article 19 (Application, etc. of Immigration Control Act)

(1) The provisions of Article 81 of the Immigration Control Act shall apply in case of conducting investigation into the present state of sojourn of foreigners who enter Korea under Article 14 of this Act.

(2) Regulations and procedures governing the treatment of persons falling under subparagraph 1 of Article 46 of the Immigration Control Act shall apply to a foreigner who has traveled from Jeju-do to other area within the Republic of Korea without the acquisition of the sojourn area extension permit under Article 15 (1).

(3) Regulations and procedures governing the treatment of persons in violation of Article 12-2 of the Immigration Control Act shall apply *mutatis mutandis* to a person in violation of Article 16 of this Act.

(4) Regulations and procedures as determined by the Immigration Control Act shall apply *mutatis mutandis* to procedures for the exercise of duties under this Act, such as immigration inspection, sojourn control, investigation, detention, deportation, etc. unless there exist any special provisions in this Act.

(5) The Minister of Justice may delegate his authority under Article 15 (1), (3), and (4) to the chief of a district office or branch office under the conditions as prescribed by the Presidential Decree.

#### ■ Article 20 (Provision, etc. of Foreign Language Service)

(1) In receiving and processing official documents written in foreign language within the area of Jeju-do, the State and local governments shall provide foreign language service for the convenience of foreign investors, etc.

(2) The local government of Jeju-do shall adopt and carry out the policies necessary for assisting Jeju-do residents to enhance their proficiency in foreign language, and the State shall provide necessary assistance for such policies to be successfully implemented.

(3) Necessary matters concerning the scope, methods, etc. of provision of foreign language service under paragraph (1) shall be determined by the Presidential Decree.

## CHAPTER VI CREATION OF ENVIRONMENT

### OF GLOBALIZATION-ORIENTED EDUCATION

#### ■ Article 21 (Special Case to Requirements for Admission to Foreigners' Schools)

As respects those foreigner's schools under Article 60-2 of the Elementary and Secondary Education Act which are established within Jeju-do, the requirements for admission shall be subject to the provisions of the Presidential Decree notwithstanding the provisions of the same Act.

#### ■ Article 22 (Special Case to Establishment and Administration of Foreign Universities)

Notwithstanding Articles 3 and 10 of the Private School Act, a special case to foreign colleges or universities established and operated within Jeju-do shall be determined by the relevant Act.

#### ■ Article 23 (Special Case to Appointment of Foreign Contract Teacher)

Notwithstanding Article 21 of the Elementary and Secondary Education Act, Article 32 (1) of the Public Educational Officials Act, and Articles 52 and 54-4 (1) and (3) of the Private School Act, a person who has the authority to appoint teachers may appoint foreigners as contract teachers under the conditions as prescribed by the Presidential Decree if it is necessary for foreign language education in high schools and other schools of different levels under high school located in Jeju-do.

#### ■ Article 24 (Special Case to Schools and School Curriculums)

(1) With regard to the elementary and secondary schools located in Jeju-do, the schools and their curriculums may be operated under the conditions as prescribed by the Presidential Decree without applying Articles 21 (1), 24 (1), 26 (1), 29 (1), 31, 39, 42, and 49 of the Elementary and Secondary Education Act.

(2) Any teachers and students, etc. who take part in such schools and curriculums as are run under paragraph (1) shall not be subject to any disadvantages due to their being involved therein.

#### ■ Article 25 (Special Case to State Assistance for Education)

The State may provide the local government of Jeju-do with a special assistance of local educational subsidies under the Local Education Subsidy Act under the conditions as prescribed

by the Presidential Decree if it is deemed necessary in order to achieve educational objectives related with the development of Jeju Free International City.

## CHAPTER VII CONSERVATION AND MANAGEMENT OF NATURAL ENVIRONMENT

### ■ Article 26 (Basic Policies for Conservation and Management of Natural Environment)

(1) In formulating and implementing development policies and plans, the local governments of Jeju-do and competent *Shi/Gun*, and the Development Center shall pursue an environmentally sound and sustainable development and shall also endeavor to conserve and manage the natural environment in such a manner as not only to have all Jeju-do residents share benefits therefrom but also to ensure that next generations may have the same opportunities to exploit it.

(2) The local governments of Jeju-do and competent *Shi/Gun* shall endeavor to enact their basic environment ordinances and to formulate and implement their basic environmental conservation plans including matters set forth in the following subparagraphs in order to systematically conserve and manage the natural environment and to ensure that their residents may live healthy and comfortable lives in a pleasant and agreeable natural environment:

1. Presentation of the objectives and direction of environmental conservation;
2. Analysis of the features of the regional environment and future prospects therefor; and
3. Plan for the conservation and restoration of the natural environment and ecosystem, etc.

(3) The *Do* Governor or the competent head of *Shi/Gun* shall endeavor to define and carry out practical tasks, etc. to be performed on the basis of such fundamental values and ideas as the whole regional society must share in order to continue an environmentally sustainable development.

### ■ Article 27 (Absolute Conservation Area)

(1) The *Do* Governor may designate an area falling under any of the following subparagraphs as an area where the unique features of the natural environment must be protected (hereinafter referred to as "absolute conservation area") after he has fulfilled obligations to hear the opinion of the head of *Shi/Gun* concerned on his proposal to do so and to obtain consent thereto from the *Do* Council. In case of modification thereof, the same shall also apply:

1. Areas with beautiful natural scenery, such as Halla Mountain, parasitic volcanoes, valleys, rivers, lakes and marshes, waterfalls, islets, beaches, seashores, lava tunnels;
2. Areas necessary for the preservation of water resources and cultural assets;
3. Habitats or refuges for wildlife;
4. Virgin forest areas which are ecologically important; and

5. Other areas which are deemed by the *Do* Governor to be necessary for the conservation of the natural environment.

(2) If the *Do* Governor has designated or modified an absolute conservation area pursuant to paragraph (1), he shall forthwith give notification thereof under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(3) There shall not be permitted within the absolute conservation area as provided in paragraph (1) such acts as the construction of a building, setting up of a structure and other facilities, alteration to land form and nature, partition of land, public waters reclamation, logging, exploitation of soil and stones, construction of new roads, or any other acts similar thereto, which may be contrary to the purposes of the designation of such an area: *Provided*, That this shall not apply where acts which fall under any of the following subparagraphs have been permitted by the *Do* Governor:

1. Construction works carried out by the State or local governments, such as works for a path up mountain, promenade, forest path, roads, public lavatory, pavilion, meteorological observation facilities, and park facilities under the Natural Park Act;

2. Afforestation project carried out as a forest management plan under the Forestry Act, which is not accompanied by logging or alteration to land form and nature;

3. Activities performed for the purposes of academic research and study;

4. Extension or alteration to the existing buildings in the precincts of a religious establishment which was constructed before the designation of the absolute conservation area; and

5. Such other activities as determined by the Jeju-do Municipal Ordinance insofar as they cause neither damages nor alteration to natural resources in their original form.

(4) A person who has already undertaken a construction work or project by obtaining an authorization, permission, approval, etc. on the construction of a building, setting up of a structure and other facilities, or alteration to land form and nature, etc. pursuant to the relevant Acts and subordinate statutes at the time of the designation of the absolute conservation area as provided in paragraph (1) (including a case where no permission is required under the relevant Acts and subordinate statutes) may continue his work without any permission of the *Do* Governor notwithstanding paragraph (3).

#### ■ Article 28 (Relative Conservation Area)

(1) The *Do* Governor may designate an area falling under any of the following subparagraphs as an area reserved for the encouragement of the conservation and optimum development of the natural environment (hereinafter referred to as the "relative conservation area") after he has fulfilled obligations to hear the opinion of the head of *Shi/Gun* concerned on his proposal to do so and to obtain consent thereto from the *Do* Council. In case of modification thereof, the same shall also apply:

1. Areas which require the conservation of their ecosystem or scenery, such as parasitic volcanoes, rivers, valleys, major roadsides, seashores; and

2. Other areas than absolute conservation areas which require conservation.

(2) There shall not be permitted within a relative conservation area as provided in paragraph (1) such acts as the construction of a building, setting up of a structure and other facilities, alteration to land form and nature, or any other acts similar thereto, which may be contrary to the purposes of the designation of such an area: *Provided*, That this shall not apply where acts which fall under any of the following subparagraphs have been permitted by the *Do* Governor:

1. Acts which fall under any of subparagraphs of Article 27 (3);

2. Construction of a museum or an art gallery as referred to in Article 2 of the Museum and Art Gallery Support Act;

3. Construction of a two or less story building (including an attached building and parking facility), which relates to farming, forestry, livestock farming or fishery, or to the operation of sales or accommodation services for income earning;

4. Construction of a two or less story building in a semi-urban area as referred to in Article 6 of the Act on the Utilization and Management of the National Territory or in a tract of land which falls within building site in the classification of land category as provided in Article 5 of the Cadastral Act;

5. Construction of roads, setting up of facilities for the survey of flowing water of rivers and underground water, digging of drainage canals, or setting up of similar structures or facilities going with farming, forestry, livestock farming, or fishery;

6. Deforestation and exploitation of soil and stones;

7. Setting up or piling up of such objects as are difficult to move; and

8. Construction of buildings, setting up of structures and facilities, or alteration to land form and nature, which are in conformity with the types and dimensions as provided by the Jeju-do Municipal Ordinance.

(3) The provisions of Article 27 (2) and (4) shall apply *mutatis mutandis* to relative conservation areas.

#### ■ Article 29 (Designation of Mountainside Conservation Area)

(1) In order to conserve the underground water resources, ecosystem, and scenery of a mountainside area (referring to an area located at a height of 200 to 600m above sea level; hereinafter the same shall apply), the *Do* Governor may designate that area as a mountainside conservation area after he has fulfilled obligations to hear the opinion of the head of *Shi/Gun*

concerned on his proposal to do so and to obtain consent thereto from the *Do* Council. In case of modification thereof, the same shall also apply.

(2) For the purposes of more specific designation and management, the mountainside conservation area as referred to in paragraph (1) shall be subdivided into underground water resources conservation zone, ecosystem conservation zone, and scenery conservation zone by its environmental features.

(3) A mountainside area shall be designated through the survey of the matters of the following subparagraphs, and the criteria for designation by conservation zone and grade shall be determined by the Jeju-do Municipal Ordinance:

1. Underground water conservation zone:

(a) Elements of geological structures permeable to water, such as rocks with porous surface, lava tunnels, depression; and

(b) Elements of soil, such as soil pollution index;

2. Ecosystem conservation zone:

(a) Floral elements, such as the colonies of rare, endangered, endemic, and wild plants, and virgin forests; and

(b) Faunal elements of the habitat areas, such as the habitat of rare, endangered, and legally protected wildlife, and woodlands; and

3. Scenery conservation zone: Elements with scenic beauty, such as parasitic volcanoes, rivers, hills, major roadsides.

(4) The provisions of Article 27 (2) shall apply *mutatis mutandis* to mountainside conservation areas.

#### ■ Article 30 (Restrictions on Act in Mountainside Conservation Area)

(1) No person shall conduct such acts as fall under the following subparagraphs in a mountainside conservation area, which may cause pollution to underground water and damage to ecosystem and scenery. The scope of restrictions on act by conservation zone and grade shall be determined by the Jeju-do Municipal Ordinance:

1. Underground water conservation zone:

(a) Setting up of facilities that may produce specific water polluting by-products;

(b) Setting up of facilities related to the disposal of wastes;

- (c) Setting up of facilities that may discharge sewage;
  - (d) Setting up of facilities that may discharge livestock waste water; and
  - (e) Alteration to land form and nature;
2. Ecosystem conservation zone: Forest damage and alteration to land form and nature; and
  3. Scenery conservation zone: Construction of buildings, setting up of structures and other facilities, and alteration to land form and nature.

(2) The provisions of paragraph (1) shall not apply to acts falling under any of the following subparagraphs: *Provided*, That, where such acts relate to working on facilities that may discharge sewage or waste water, they shall be equipped with a waste water disposal device to meet the discharging water quality standards as prescribed by the Jeju-do Municipal Ordinance:

1. Alteration and extension for the same use to the existing buildings or facilities at the time of the designation of the mountainside conservation area (limited to an extension not exceeding twice the floor area of the existing building);
2. Projects that are being carried out with an authorization, permission, etc. granted under the relevant Acts and the subordinate statutes at the time of the designation of the mountainside area (including projects for which the authorization or permission has been applied);
3. Acts that fall under any of subparagraphs of Article 27 (3);
4. Acts conducted in an urban planning area under the Urban Planning Act;
5. Implementation of forest management plans and afforestation projects under the Forestry Act;
6. Construction of independent housing units, storehouses, barns, places for fruit selecting work, and any other facilities similar thereto; and
7. Any other facilities that are determined by the Jeju-do Municipal Ordinance, which may have no choice but to be set up in the mountainside area.

**■ Article 31 (Designation of Area Other Than Mountainside Area as Conservation Zone and Restrictions on Act)**

- (1) If the *Do* Governor deems it necessary to conserve the underground water resources, ecosystem, or the scenery of an area other than a mountainside area, he may designate the area as a conservation zone and impose restrictions on act.
- (2) The provisions of Articles 29 and 30 shall apply to the designation of a conservation zone and restrictions on act as provided in paragraph (1).

(3) The provisions of Article 27 (2) shall apply *mutatis mutandis* to a conservation zone of an area other than a mountainside area.

■ **Article 32 (Designation, etc. of Conservation Resources)**

(1) If the *Do* Governor deems it necessary for the protection of resources of Jeju-do, he may designate such resources as the Jeju-do Municipal Ordinance specifies from among rare species of wildlife and plants endemic to Jeju-do, mineral deposits, etc. as resources required to be conserved (hereinafter referred to as "conservation resources").

(2) If the *Do* Governor has designated conservation resources under paragraph (1), it shall be publicly notified without delay.

(3) If the *Do* Governor deems it necessary for the protection of conservation resources, he may prohibit such acts as the capture, lumbering, gathering, or damaging of conservation resources, may give orders to report such acts, to prohibit the opening or transferring of them, or to remove obstacles, or may take other necessary measures, under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(4) If the *Do* Governor deems it necessary for the protection of conservation resources, he may incur or assist expenses for their management or protection.

(5) Any person who desires to buy and sell conservation resources within Jeju-do or to take them out of Jeju-do (in the case of coral sands, referring to an area other than the seaside area where they exist) shall obtain permission from the *Do* Governor under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(6) In case where a person suffered loss due to a disposition as prescribed in paragraph (3), the *Do* Governor shall compensate him for the loss.

■ **Article 33 (Special Case to Underground Water Development and Exploitation Permission, etc.)**

(1) Notwithstanding Articles 7, 7-2, 7-3, and 8 of the Groundwater Act, any person who desires to develop and exploit underground water in Jeju-do shall obtain permission from the *Do* Governor in accordance with this Act: *Provided*, That the same shall not apply in the case of Article 8 (1) 3 of the Groundwater Act.

(2) If a person who has obtained the permission as provided in paragraph (1) desires to extend the duration of underground water development and exploitation or to modify part of the permitted items, he shall obtain approval from the *Do* Governor under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(3) In a case falling under any of the following subparagraphs, the *Do* Governor shall not grant the permission as provided in paragraphs (1) and (2) in the interest of the optimum conservation and

management of underground water: *Provided*, That this shall not apply where a local public enterprise established under the Local Public Enterprises Act intends to produce and sell the product set forth in subparagraph 1, insofar as it does not become obstacles to the conservation and management of underground water:

1. Where a person desires to produce and sell potable spring water as referred to in subparagraph 3 of Article 3 of the Management of Drinking Water Act;

2. Where a person desires to produce and sell soft drinks or alcoholic liquors made by using underground water in a proportion of 98/100 or more; and

3. Other cases as determined by the Jeju-do Municipal Ordinance for the purposes of the prevention, etc. of underground water pollution.

(4) A person who desires to obtain the underground water development and exploitation permission (including the extension of the duration of the permit and the modification of the permit) shall, under the conditions as prescribed by the Jeju-do Municipal Ordinance, prepare the statement of underground water development impact and submit it to the *Do* Governor for examination in advance.

(5) In granting the permission provided in paragraphs (1) and (2), the *Do* Governor may, if deemed to be necessary for the optimum management of underground water, order a person who has set up facilities for the development and exploitation of underground water to take measures to exploit underground water jointly with the users of lands and facilities in and around the area. If the person refuses or fails to implement the joint exploitation measures, the *Do* Governor may restrict the volume of underground water exploitation or revoke the underground water development and exploitation permission.

(6) The *Do* Governor may designate and publicly announce an area falling under any of the following subparagraphs as an area of underground water resources under special control under the conditions as prescribed by the Jeju-do Municipal Ordinance, and may thereby restrict the issuance of underground water development and exploitation permission, the duration of the permission, the volume of underground water exploitation, etc.:

1. An area, of which the volume of underground water development (on the basis of potential for water-pumping) has already exceeded 80% of the optimum development volume;

2. An area, of which the level of underground water deposits has been outstandingly lowered or is likely to be lowered;

3. An area, of which underground water is most likely to be affected by sea water (salty water) or contains chloride ion with a higher density than the standards for potable water quality;

4. An area, of which the underground water development and exploitation is required to be restricted for the purposes of meeting the future need of water; and

5. Other areas as determined by the Jeju-do Municipal Ordinance in order to conserve the volume and quality of underground water deposits.

(7) If the *Do* Governor designates an area of underground water resources under special control under paragraph (6), he shall formulate and implement an underground water control plan for the area, under the conditions as prescribed by the Jeju-do Municipal Ordinance.

■ **Article 34 (Special Case to Orders to Prevent Underground Water Pollution)**

(1) No person shall discharge such substances as sewage, waste water, which may seriously pollute underground water, into geologically structured areas that are highly permeable to water, such as tunnels, depressions, or shall dispose of such substances by pouring them into underground area: *Provided*, That this shall not apply to such matters as prescribed by the Jeju-do Municipal Ordinance, including the installation of artificial recharge wells designed for the recharge of water to increase underground water supply.

(2) If the *Do* Governor deems it necessary for the prevention of underground water pollution, he may determine and implement the matters falling under any of the following subparagraphs by the Jeju-do Municipal Ordinance:

1. Matters concerning standards for the setting up of facilities for the development and exploitation of underground water and the supervision of works for the setting up of facilities for the development and exploitation of underground water;
2. Standards, etc. for the setting up of facilities other than the facilities subject to such permits or reports as provided by the Act on the Disposal of Sewage, Excreta and Livestock Wastewater, the Soil Environment Conservation Act, the Water Quality Conservation Act, etc.; and
3. Matters concerning standards, examination, etc. of the underground water quality.

(3) Except as provided in this Act, the Groundwater Act shall apply to matters concerning underground water.

■ **Article 35 (Collection of Charges, etc. for Unprocessed Underground Water)**

(1) The *Do* Governor may levy and collect charges for unprocessed underground water from those who exploit underground water after obtaining an underground water development and exploitation permission as provided in Article 33 in order to raise funds necessary for the optimal conservation and management of underground water, and development projects.

(2) The *Do* Governor may collect an amount of undue profit not exceeding five times the charges for unprocessed underground water from a person who exploits underground water without the permission as provided in Article 33.

(3) As respects charges for unprocessed underground water and the amount of undue profit as provided in paragraphs (1) and (2), the methods of their assessment, procedures for their

collection, their abatement and exemption, etc. shall be determined by the Jeju-do Municipal Ordinance.

■ **Article 36 (Special Case to Examination, etc. of Environmental Compatibility)**

(1) As regards the examination of and consultation on the environmental compatibility of a project designed for the maintenance of the optimum environmental standards and the conservation of the natural environment as referred to in Article 11 (1) of the Framework Act on Environmental Policy, a consultation with the *Do* Governor shall, notwithstanding Article 11 (2) of the same Act, be required if the contents of the project constitute part of the Master Plan: *Provided*, That, in examining the environmental compatibility, the *Do* Governor shall be required to hear the opinion of the Minister of Environment.

(2) The environmental impact statement as referred to in Articles 10 and 15 of the Management of Drinking Water Act shall, notwithstanding provisions of the relevant Act and subordinate statutes, be submitted to the *Do* Governor for examination.

■ **Article 37 (Special Case to Report on Assessment of Impact on Environment, Traffic, Disaster, etc.)**

(1) The head of an administrative agency who has the authority to decide on the approval of a project that is carried out within Jeju-do, which requires the assessment of impact under Article 4 of the Act on Assessment of Impacts of Works on Environment, Traffic, Disaster, etc. and a person who carries out a project that does not require such approval shall, notwithstanding Article 17 (2) and (3) of the same Act, request a consultation with the *Do* Governor about the report on the assessment of impact prepared under Article 5 of the same Act: *Provided*, That, in consultation about the report on the assessment of impact on the environment, the *Do* Governor shall be required to hear the opinion of the Minister of Environment thereupon and reflect it in his decision to the maximum, and both the *Do* Governor and the Minister of Environment shall, under Article 26 of the Act on Assessment of Impacts of Works on Environment, Traffic, Disasters, etc., adopt joint measures required to ascertain whether the decisions consulted are being implemented and to supervise a sustained implementation thereof.

(2) In examining the report on the assessment of impact submitted for the consultation as provided in paragraph (1), the *Do* Governor shall establish a Committee on the Deliberation of the Jeju-do General Impact Assessment (hereinafter referred to as the "General Assessment Deliberation Committee") to deliberate on the report, and necessary matters for the organization and operation of the General Assessment Deliberation Committee shall be determined by the Jeju-do Municipal Ordinance.

■ **Article 38 (Special Case to Deliberation on Construction Plan)**

(1) Where a person desires to construct a building in such an area as the *Do* Governor designates and publicly announces as an area of preservation because it is deemed necessary to conserve the natural or urban landscape of the area, he shall submit his plan of construction to the *Shi/Gun*

board of construction as provided in Article 4 of the Building Act for deliberation on such matters as shape, color, roads, etc. before he makes a basic design for the building.

(2) No person may apply for an authorization, permission, or approval of a construction work within an area designated and publicly announced under paragraph (1) without the prior deliberation of the *Shi/Gun* board of construction on such matter.

(3) The designation and public announcement of the area concerned, and the scope of the deliberation as well as procedures and standards therefor, as referred to in paragraph (1) shall be determined by the Jeju-do Municipal Ordinance.

#### ■ Article 39 (Special Case to Application of Act on Installation and Utilization of Sports Facilities)

For the purpose of the environmental-friendly development of golf courses, the *Do* Governor may, notwithstanding Article 11 (2) of the Act on the Installation and Utilization of Sports Facilities and Article 4 (4) of the Tourism Promotion Act, determine such matters as relate to the setting up of the facilities of golf courses separately by the Jeju-do Municipal Ordinance.

#### ■ Article 40 (Preventive Measures against Risks of Epidemics Incidental to Entry and Removal of Livestock, Marine Products, and Plants to Maintain Clean and Unpolluted Area)

(1) The *Do* Governor shall take necessary measures, such as patrols for inspection and preventive control of the risks of epidemics caused by harmful animals and plants or by blight and noxious insects as well as investigations, etc. into cases of outbreaks of disease, if any, in order to maintain a clean and unpolluted environment.

(2) As respects livestock, marine products, and plants brought into or taken out of Jeju-do, the *Do* Governor may subject them to such required measures as inspection, injection, isolation, detention, prohibition of entry and removal, etc. if it is deemed necessary to do so for maintaining a clean and unpolluted environment in Jeju-do.

(3) The *Do* Governor shall, by the Jeju-do Municipal Ordinance, determine the items prohibited from being brought in or taken out and the items subjected to preventive measures as provided in paragraph (2) as well as matters concerning methods and procedures for the preventive measures and other necessary measures, etc., subject to the approval of the Minister of Agriculture and Forestry or the Minister of Maritime Affairs and Fisheries.

### CHAPTER VIII SPECIAL CASE TO

#### INDUSTRIAL DEVELOPMENT

#### ■ Article 41 (Creation and Management of Jeju High-tech Science and Technology Complex)

(1) The Minister of Construction and Transportation may create a Jeju high-tech science and technology complex (hereinafter referred to as the "science and technology complex") as a

national industrial complex as referred to in Article 6 of the Industrial Sites and Development Act in order to develop such high-technology industries as biotechnology, information and communications, to promote their related technology research, to nurture the specialized manpower, etc. in Jeju-do.

(2) The creation of the science and technology complex as referred to in paragraph (1) shall be subject to procedures for the designation and development of a national industrial complex as prescribed by the Industrial Sites and Development Act: *Provided*, That, notwithstanding Article 11 (1) of the same Act, the Development Center may request the Minister of Construction and Transportation to designate the science and technology complex, and the Minister of Construction and Transportation may, notwithstanding Article 16 (1) of the same Act, designate the Development Center as project executor.

(3) If the Minister of Construction and transportation intends to designate the science and technology complex, he shall go through the deliberation of the Promotion Committee thereon. In this case, the deliberation of the Promotion Committee shall be deemed to be that of the Industrial Sites Policy Deliberation Committee as referred to in Article 6 of the Industrial Sites and Development Act.

(4) The management of the science and technology complex shall be subject to procedures for the management of the industrial complex as prescribed by the Industrial Placement and Factory Construction Act: *Provided*, That, notwithstanding Article 30 (2) of the same Act, the Minister of Commerce, Industry, and Energy may entrust the Development Center with the whole or part of the affairs of the management of the science and technology complex.

#### ■ Article 42 (Designation of Jeju Investment Promotion Zone)

(1) In order to attract the investments satisfying the standards prescribed by the Presidential Decree, the *Do* Governor may, if necessary, designate an area that an investor chooses for the purposes of his investments as Jeju investment promotion zone (hereinafter referred to as the "investment promotion zone"), after going through the deliberation of the Promotion Committee thereon.

(2) In designating the investment promotion zone as referred to in paragraph (1), the *Do* Governor shall publicly notify the following matters:

1. Name, location, and area of the investment promotion zone;
2. Methods of its development or management; and
3. Such other matters as determined by the Presidential Decree.

(3) The investment promotion zone shall be placed under the management of the Development Center.

(4) Necessary matters for the procedures and methods for designation of the investment promotion zone and the management thereof shall be determined by the Presidential Decree.

■ **Article 43 (Rescission of Designation of Investment Promotion Zone)**

(1) If the investment as referred to in Article 42 comes to fail to meet the standards prescribed by the Presidential Decree, the *Do* Governor shall rescind the designation of the investment promotion zone, after going through the deliberation of the Promotion Committee thereon.

(2) Necessary matters for the procedures, etc. for the rescission of designation of the investment promotion zone as referred to in paragraph (1) shall be determined by the Presidential Decree.

■ **Article 44 (Special Case to Eligibility for Free Trade Zone Location)**

(1) The Minister of Commerce, Industry, and Energy may, notwithstanding Article 10 (1) 2 of the Act on the Designation, etc. of Free Trade Zone, permit a non-foreign-invested enterprise to be located within the Free Trade Zone as designated under the same Act in Jeju-do if it is deemed necessary to do so for the purposes of the promotion of trade, distributional efficiency, and services for assisting the Free Trade Zone enterprises in carrying on their business.

(2) The location of any enterprise that may cause environmental pollution in the Free Trade Zone designated in Jeju-do may be restricted under the conditions as prescribed by the Minister of Commerce, Industry, and Energy.

■ **Article 45 (Lease or Sale of State or Public Property)**

(1) Notwithstanding the relevant provisions of the State Properties Act and the Local Finance Act, the Minister of Finance and Economy, administrative agencies managing state properties, or heads of local governments may, by optional contract, either grant such rights as to use and benefit from the lands, factories, and other state or public properties owned by the State or the local governments (hereinafter referred to as the "lands, etc.") to the enterprises which move into the science and technology complex or the investment promotion zone (hereafter referred to as the "enterprises located in the designated area" in this Article) or lend (hereinafter referred to as "lease") or sell them to such enterprises.

(2) In case of leasing the lands, etc. owned by the State or the local governments under paragraph (1), the term of lease may be determined within the limits of 50 years notwithstanding Articles 27 (1) and 36 (1) of the State Properties Act and Articles 82 (2) and 83 (2) of the Local Finance Act. In this case, the term of lease may be renewed, and each renewed term may not exceed 50 years.

(3) In case of leasing the lands, etc. owned by the State or the local governments under paragraph (1), the enterprises located in the designated area may be allowed to build factories and other permanent facilities on the lands notwithstanding Article 24 (3) of the State Properties Act and Articles 82 (2) and 83 (2) of the Local Finance Act. In this case, the lands may be leased on condition that, at the time of expiration of such a lease, either these facilities should be donated to

the State or the local governments or the leased lands should be restored to their original states and returned, in consideration of the types, etc. of such facilities.

(4) The rent of the lands, etc. leased under paragraph (1) shall be prescribed by the Presidential Decree, notwithstanding Articles 25 (1) and 38 of the State Properties Act and Articles 82 (2) and 83 (2) of the Local Finance Act, and may, if necessary, be indicated in foreign currency.

(5) In case of selling the lands, etc. as provided in paragraph (1) to the enterprises located in the designated area, these enterprises may, notwithstanding Article 40 (1) of the State Properties Act and Article 83 (2) of the Local Finance Act, be allowed to defer the date of payment on the lands, etc. or to make payment in installments under the conditions as prescribed by the Presidential Decree if the purchasers of the lands, etc. are deemed to have difficulty in making a lump sum payment.

(6) In case of leasing the lands, etc. owned by the State and located in the science and technology complex as referred to in Article 41 to the enterprises located in the designated area that run such businesses as prescribed by the Presidential Decree, the Minister of Finance and Economy and the administrative agencies managing state properties may, notwithstanding Article 34 of the Industrial Placement and Factory Construction Act and Article 38 of the Industrial Sites and Development Act, accord them a reduction of or exemption from the rent for the lands, etc. under the conditions as prescribed by the Presidential Decree.

(7) In case of leasing the lands, etc. owned by the local governments to the enterprises located in the designated area, the heads of the local governments may, notwithstanding Articles 82 (2) and 83 (2) of the Local Finance Act, accord them a reduction of or exemption from the rent for the lands, etc. under the conditions as prescribed by the Presidential Decree.

#### ■ Article 46 (Financial Assistance)

(1) If the Development Center requests financial assistance to create the science and technology complex, loans to finance cost for acquiring the lands to be leased to the enterprises located in the investment promotion zone, reduction of or exemption from the rent for the lands, etc. and funds required for other development projects, the State or the local governments shall provide assistance as much as possible.

(2) Procedures and criteria for the financial assistance with which the State provides the Development Center under paragraph (1) shall be determined by the Promotion Committee under the conditions as prescribed by the Presidential Decree.

#### ■ Article 47 (Designation, etc. of Special Shipping Registration Zone)

(1) An open port in the area of Jeju-do as provided in Article 3 of the Public Order in Open Ports Act shall be designated as a special shipping registration zone in order to promote shipping registration therein.

(2) Ships which have been registered with the Minister of Maritime Affairs and Fisheries under Article 4 of the International Ship Registration Act, which use the open port under paragraph (1) as their port of registry as well as foreign ships as prescribed by the Presidential Decree may be exempted from acquisition tax, property tax, common facilities tax, local education tax, and special rural development tax under the conditions as prescribed by the Local Tax Act and the Act on Special Rural Development Tax.

(3) Necessary matters concerning the designation, operation, etc. of the special shipping registration zone shall be determined by the Presidential Decree.

#### ■ Article 48 (Creation of Infrastructure for Information and Co- mmunication Industry)

(1) The *Do* Governor shall promote the informatization in public and industrial sectors as well as individual lives and adopt policies required to develop Jeju-do into a strategic point of the world information and communication service by achieving connection among all levels of public agencies, business companies, and private homes by information and communication network and further connecting this domestic network system with the whole world.

(2) The *Do* Governor shall formulate and implement the Jeju-do basic informatization promotion plan that includes the matters of the following subparagraphs in order to implement such policies as referred to in paragraph (1) and to develop the information and communication industry:

1. Matters concerning regional informatization promotion;
2. Matters concerning the attraction of and assistance for high-tech information and communication-related facilities;
3. Matters concerning measures for promoting Jeju-do as a leading area in the exchanges of information;
4. Matters concerning the nurture of technical manpower specializing in information and communication;
5. Matters concerning the establishment of a coordination office for tourist guidance in order to obtain scientific statistical data about the tourists by inclination, who visit Jeju-do through airport or seaport; and
6. Other matters necessary for the development of information and communication industry.

(3) If it is necessary for the promotion of the policies under paragraph (1) and the efficient promotion of the Jeju-do basic informatization promotion plan under paragraph (2), the State shall give administrative and financial assistance including technical assistance.

#### ■ Article 49 (Promotion of Agriculture, Forestry, Livestock Farming, and Fishery)

(1) The *Do* Governor shall formulate and execute plans for the development of agriculture, forestry, livestock farming, and fishery (hereinafter referred to as the "development plans") in order to strengthen their competitiveness, ensure stable income for farmers and fishermen, and promote a balanced development as compared with that of other industries.

(2) The development plan shall include the matters of the following subparagraphs:

1. Matters concerning the development of breeding industry, such as seed, seedlings, breeding stock, seed(shellfish);
2. Matters concerning the establishment of a system of production of agricultural, forest, livestock, and marine products that is environmental-friendly and compatible with the regional conditions;
3. Matters concerning the development of technologies and the wide use thereof in support of strengthening the competitiveness of agriculture, forestry, livestock farming, and fishery;
4. Matters concerning improvement in the production and distribution structure of agriculture, forestry, livestock farming, and fishery;
5. Matters concerning the development of agricultural, forest, livestock, and marine products processing industry;
6. Matters concerning the promotion of the export of agricultural, forest, livestock, and marine products;
7. Matters required for the promotion of citrus fruit industry and structural improvement therein;
8. Matters concerning the promotion of assistance and welfare, such as income assistance for farm producers;
9. Matters concerning the promotion of sideline income earning by combining agriculture, forestry, livestock farming, and fishery with the industries of biotechnology, therapeutics technology, etc.;
10. Matters concerning the nurture of technical manpower in agriculture, forestry, livestock farming, and fishery; and
11. Other matters necessary for the development of agriculture, forestry, livestock farming, and fishery.

(3) A regional agriculture and fishery development fund shall be created under the conditions as prescribed by the Jeju-do Municipal Ordinance in order to secure and supply funds required for the execution of development plans.

(4) The Development Center may assist the regional agriculture and fishery development fund with a part of profits accrued from the operation of its development projects.

(5) The regional agriculture and fishery development fund shall be managed and operated by the *Do* Governor.

(6) The State may provide income assistance to farm producers in accordance with Article 11 (2) of the Special Act on the Implementation of the Agreement Establishing the World Trade Organization.

■ **Article 50 (Stable Supply and Demand of Agricultural, Forest, Livestock, and Marine Products)**

(1) The *Do* Governor may take necessary measures for the production adjustment, stock release adjustment, and quality control, etc. of the agricultural, forest, livestock, and marine products that are produced within Jeju-do in order to promote their stable supply and demand as well as to enhance their marketability and distributive efficiency.

(2) Necessary matters concerning the relevant items, methods, procedures, and necessary measures, etc. applicable to the production adjustment, stock release adjustment, and quality control, etc. under paragraph (1) shall be determined by the Jeju-do Municipal Ordinance.

## CHAPTER IX PROMOTION OF

### TOURISM AND LOCAL CULTURE

■ **Article 51 (Customs Duties, etc. Exemption or Refunds for Travellers to Jeju-do)**

If travellers visiting Jeju-do buy goods at a duty-free shop as prescribed by the Presidential Decree (hereinafter referred to as the "designated duty-free shop") and take them out to other areas within the Republic of Korea, they may be exempted from the customs duties, value-added tax, special consumption tax, liquor tax, education tax, special rural development tax, tobacco consumption tax, and local education tax under the conditions as prescribed by the Restriction of Special Taxation Act, the Local Tax Act, etc.

■ **Article 52 (Exemption from Taxes and Additional Charges Applicable to Acts of Entrance, etc. to Golf Course)**

(1) An act of entrance to a golf course located in Jeju-do may be exempted from the special consumption tax, special rural development tax, and education tax under the conditions as prescribed by the Restriction of Special Taxation Act.

(2) The golf courses located in Jeju-do shall be exempted from additional charges imposed on the entrance fee under Articles 19 and 22 of the National Sports Promotion Act.

■ **Article 53 (Registration, etc. of Pension-Based Recreation Business)**

(1) A person who desires to run a business which involves the construction and operation of facilities suitable for accommodation, cooking, and nature tours in the service of the tourists which may be offered for the use of members entitled to their use, co-owners, and other tourists or for the purposes of their accommodation (hereinafter referred to as the "pension-based recreation business") shall register his business with the *Do* Governor. The same shall also apply where he desires to modify a material part of the registered matters as determined by the Jeju-do Municipal Ordinance.

(2) A person who desires to run the pension-based recreation business shall prepare the business plan and submit it to the *Do* Governor for approval before he makes a registration as provided in paragraph (1). The same shall also apply where he desires to modify the approved business plan.

(3) A person who has registered the pension-based recreation business, or who has obtained the approval of the business plan, under paragraphs (1) and (2) may sell the pension facilities in units or invite subscriptions for membership entitled to the use of these facilities notwithstanding Article 19 (1) of the Tourism Promotion Act.

(4) Standards, procedures, etc. for registration or modification of registration as provided in paragraph (1), standards, procedures, etc. for the approval of the business plan or the approval of modification of the approved business plan as provided in paragraph (2), and standards for the sale of the pension facilities in units or invitation of subscription for membership and matters concerning the acquisition of co-ownership or the issuance of membership cards, etc. as referred to in paragraph (3) shall be determined by the Presidential Decree.

(5) A person who has acquired the pension-based recreation business by transfer or who has taken over such business by auction, etc. shall succeed to such rights and obligations as may accompany the registration and the approval of the business plan or the report (in case of the sale of the pension facilities in units or the invitation of subscription for membership as referred to in paragraph (3), including the agreement made between the pension-based recreation business enterpriser and co-owners or members). In this case, the person who has acquired or taken over the pension-based recreation business shall report this fact to the *Do* Governor within one month from the date on which he acquired it or took it over under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(6) Any person who fails to register the pension-based recreational business may not use the term "pension-based recreation business" or any other name similar thereto.

(7) Where the approval of the pension-based recreation business plan or the approval of modification of the approved business plan has been granted under paragraph (2), Article 53 (1) of the Urban Planning Act shall not apply to accommodation facilities built under the said business plan or any recreation facilities within the precincts of the accommodation facilities located in a part of the green belt area that is designated under the Urban Planning Act, which is determined by the Presidential Decree.

(8) Where a person who has registered a pension-based recreation business or who has obtained the approval of the plan of such a business falls under any of the following subparagraphs, the *Do* Governor may revoke the registration or the approval, or order the suspension of the business or the improvement of the facilities and operation of the business:

1. Where the person places the operation of the facilities of the pension-based recreation business in the charge of another person;
2. Where the person who has obtained the approval of the business plan under paragraph (2) fails to start the construction of the facilities for the pension-based recreation business or fails to complete the construction work therefor within the period determined by the Jeju-do Municipal Ordinance without any justifiable reason;
3. Where the person uses deceit and other wrongful methods or receives undue money and valuables in operating the pension-based recreation business or in carrying out such a business plan; and
4. Where the person violates this Act or an order or disposition made under this Act.

(9) The detailed criteria for the disposition of revocation or suspension as provided in paragraph (8) shall be determined by the Jeju-do Municipal Ordinance depending on the reasons or degree of violation.

(10) Where a person who registered the pension-based recreation business continues to operate his business, despite the fact that he has been notified of the disposition of the revocation of registration or approval or the orders to suspend his business as provided in paragraph (8), the *Do* Governor may take measures to close down the place of business concerned. In this case, Article 34 of the Tourism Promotion Act shall apply to the methods, procedures, etc. for the closure of the place of business.

(11) The *Do* Governor shall report to the Minister of Culture and Tourism on the state of registrations, approval of the plans of business, and the sales of the pension facilities in units or invitation of subscription for membership as referred to in paragraphs (1) through (4).

#### ■ Article 54 (Designation, etc. of Recreational Fishing Grounds)

(1) If a person who has obtained a license for the village-based fishery or the cooperative cultivating fishery under Article 9 of the Fisheries Act applies for a designation of recreational fishing grounds in order to have a part of his fish farm designated as such, insofar as such a designation does not become any obstacle to the said licensed fishery, the *Do* Governor may designate so. In this case, the provisions of the Fisheries Act shall not apply to the methods of the catch or gathering of marine animals and plants.

(2) The *Do* Governor shall, by the Jeju-do Municipal Ordinance, determine such matters as may be necessary for the designation of recreational fishing grounds as provided in paragraph (1),

limits of the depth of water, promotion of marine resources, recreational fishing, methods and quantities of the catch or gathering of marine animals and plants, management and operation, etc. after consultation with the Minister of Maritime Affairs and Fisheries.

(3) The *Do* Governor may revoke the designation of recreational fishing grounds in case where a person who has obtained such a designation fails to operate the recreational fishing grounds in accordance with paragraph (2).

#### ■ Article 55 (Issuance of Tourist Lottery Tickets)

(1) The local government of Jeju-do may issue tourist lottery tickets for the purpose of raising funds required for promoting tourism and financing development projects: *Provided*, That, in case of issuing tourist lottery tickets for sale in areas other than Jeju-do, it requires the approval of the Minister of Government Administration and Home Affairs.

(2) If the *Do* Governor desires to issue tourist lottery tickets under paragraph (1), he shall specify the types, methods, amount, and terms thereof, and obtain consent from the *Do* Council.

(3) A claim for a lottery prize shall become invalidated by the process of negative prescription unless it is made until the date of expiration of its period of payment in case of decision by lottery or by computing or until the time-limit of its payment described on the face of the lottery ticket in case of decision by immediate approach, and a lottery prize canceled by the negative prescription shall revert to the special accounts as provided in Article 71.

(4) The Act on Special Cases concerning Regulation and Punishment of Speculative Acts, etc. shall not apply to issuing tourist lottery tickets as provided in paragraph (1).

#### ■ Article 56 (Promotion of Local Culture)

(1) The *Do* governor shall formulate and implement the medium and long term plans for the promotion of local culture and arts in order to improve the quality of the lives of residents, uphold the traditional culture and arts, and promote the local culture.

(2) The plan for the promotion of local culture and arts as referred to in paragraph (1) shall include the matters of the following subparagraphs:

1. Basic policy and plans for the promotion of local culture and arts;
2. Matters concerning the upholding and promotion of traditional culture and arts;
3. Matters concerning assistance for local organizations of arts;
4. Matters concerning the preservation of folklore and dialects;
5. Matters concerning the enlargement and improvement of culture and art facilities; and

6. Other matters necessary for the promotion of local culture and arts.

(3) In formulating the plan for the promotion of local culture and arts as referred to in paragraph (2), it shall be required for such a plan to be submitted for the deliberation of the local culture and arts promotion committee as provided in Article 4 of the Culture and Arts Promotion Act.

(4) The State and local governments may, if deemed necessary for carrying out local culture promotion work, contribute the state or public properties, etc. to the persons who run the enterprises of local culture promotion, allow them to use the properties and benefit therefrom, or lend the properties to them.

#### ■ Article 57 (Designation, etc. of Local Culture Tour Area)

(1) The *Do* Governor may, if necessary for the finding, preservation, upholding, and promotion of local culture as well as for the promotion of tourism, designate and develop a local culture tour area under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(2) A person who desires to obtain the designation of a local culture tour area as provided in paragraph (1) shall prepare a creation plan therefor and obtain the approval of the *Do* Governor thereon. The same shall also apply where he desires to modify this plan.

(3) The *Do* Governor may subsidize a part of the cost required for the development of the local culture tour area as referred to in paragraph (1) or assist such infrastructure as roads, water supply system, sewage disposal system, communication and energy supply facilities to be made available for the creation of such an area.

### CHAPTER X EXECUTION OF

#### DEVELOPMENT PROJECTS

#### ■ Article 58 (Preliminary Survey)

(1) The *Do* Governor, the head of *Shi/Gun*, the Development Center, or a person that desires to execute a development project may conduct a preliminary survey in order to prepare the Master Plan, the execution plans, or the project plan required for the approval of the execution for the development project under Article 59 under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(2) The preliminary survey as provided in paragraph (1) shall include the impact of development project on the natural ecosystem and scenery or landscapes within the development project area concerned and other matters as prescribed by the Jeju-do Municipal Ordinance.

(3) The *Do* Governor, the head of *Shi/Gun*, the Development Center, or a person that desires to execute a development project may, if deemed necessary for the preliminary survey as referred to in paragraph (1), enter the lands owned or possessed by other persons or may temporarily use such lands for the purposes of a storehouse for materials, passage, or road.

(4) The provisions of Articles 89 and 90 of the Urban Planning Act shall apply *mutatis mutandis* to compensation for damages caused by entrance to the lands or temporary use thereof as provided in paragraph (3).

■ **Article 59 (Execution Approval, etc. of Development Project)**

(1) A person that desires to execute a development project shall obtain the execution approval from the *Do* Governor: *Provided*, That, if the executor of the development project is the State or the Development Center, it shall be required to hear the opinion of the *Do* Governor thereupon.

(2) The scope of development projects that require the execution approval or the hearing of opinion thereupon from the *Do* Governor under paragraph (1) shall be determined by the Jeju-do Municipal Ordinance.

(3) A person that desires to obtain the development project execution approval or to hear opinion thereupon from the *Do* Governor under paragraph (1) shall prepare the project plan and the relevant documents attached thereto and submit them to the *Do* Governor in accordance with the Jeju-do Municipal Ordinance.

(4) The *Do* Governor may grant the development project execution approval as referred to in paragraph (1) on condition that, if a part of requirements, such as the attached documents, etc., is incomplete, the deficiency must be remedied later under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(5) If a cooperative organization of farmers and fishermen desires to execute a development project, the *Do* Governor may give approval to the organization in preference to others under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(6) A development project startup period shall not exceed two years from the date the development project execution approval is given under paragraph (1): *Provided*, That, if an extension of the startup period is deemed to be inevitable, the *Do* Governor may extend it within the limits of one year and no more than once.

(7) If a development project fails to be started within the project startup period as provided in paragraph (6) from the date the development project execution approval is given under paragraph (1), the development project execution approval shall become invalidated on the date after the expiration of the project startup period. In this case, the *Do* Governor shall notify this fact publicly under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(8) If the *Do* Governor receives an application of approval from a person that desires to obtain the development project execution approval as referred to in paragraph (1), he shall assign a public official to the duties of dealing with the said application unless there exists any special reason to the contrary.

(9) Paragraphs (1) through (8) shall apply *mutatis mutandis* where the contents of the existing development project are to be modified: *Provided*, That the same shall not apply where such minor items as are determined by the Jeju-do Municipal Ordinance are to be modified.

(10) As respects a development project by foreign investment, the Foreign Investment Promotion Act shall apply notwithstanding paragraphs (1) through (9).

#### ■ Article 60 (Legal Fiction of Authorization, Permission, etc.)

(1) If a person that desires to execute a development project has obtained the execution approval of the development project or has heard opinion thereupon under Article 59, he shall be deemed to have obtained permission, authorization, designation, or approval, or to have gone through the formalities of consultation or report, etc., as set forth in the following subparagraphs (hereinafter referred to as "permission, etc."):

1. Permission for alteration to land form and nature, etc. as provided in Article 21-2 of the Grassland Act and permission for the conversion of grassland to other use as provided in Article 23 of the same Act;

2. Permission for the conversion of conservation woodland to other use as provided in Article 18 of the Forestry Act, rescission of the designation of reserved forest as provided in Article 57 of the same Act, permission for activities within the reserved forest zone as prescribed in Article 62 of the same Act, approval for or consent to logging within the state-owned forest as prescribed in Article 73 of the same Act, and permission for logging, etc. of timbers as provided in Article 90 of the same Act;

3. Permission for or consultation on the conversion of farmland to other use as provided in Article 36 of the Farmland Act;

4. Approval of the use of agricultural infrastructure for purposes other than the prescribed purposes as referred to in Article 20 of the Act on the Rearrangement of Agricultural and Fishing Villages and approval of the rural resort area development project as referred to in Article 67 (4) of the same Act;

5. Approval of the construction, etc. of factories as referred to in Article 13 (1) of the Industrial Placement and Factory Construction Act;

6. Designation of the agro-industrial complex as referred to in Article 8 of the Industrial Sites and Development Act and approval of the execution of the agro-industrial complex development project as referred to in Article 19 of the same Act;

7. Consultation with or approval of the river administration agency as referred to in Article 6 of the River Act, permission for the execution of river conservation work as provided in Article 30 of the same Act, and permission for the occupation and use, etc. of river provided in Article 33 of the same Act;

8. License for the reclamation of public waters as prescribed in Article 9 of the Public Waters Reclamation Act, public notice under Article 13 of the same Act, authorization and public notice of the plan of works as prescribed in Article 15 of the same Act, and consultation or approval as referred to in Article 38 of the same Act;
9. Approval of the setting up of excreta treatment facilities as referred to in Article 21 of the Act on the Disposal of Sewage, Excreta and Livestock Wastewater;
10. Approval of, or report on, the setting up of waste disposal facilities as referred to in Article 30 of the Wastes Control Act;
11. Authorization of waterworks projects as referred to in Articles 12, 33-2, and 34 of the Water Supply and Waterworks Installation Act and authorization of installation of waterworks for exclusive use as provided in Articles 36 and 38 of the same Act;
12. Permission of electricity generation business, electricity transmission business, electricity distribution business, or electricity sales business as provided in Article 7 of the Electric Utility Act and authorization of, or report on, the plan of works for electrical installations for private use as provided in Article 62 of the same Act;
13. Approval of the project plan as provided in Article 12 of the Installation and Utilization of Sports Facilities Act
14. Designation of tourist resorts and tourist complexes as referred to in Article 50 of the Tourism Promotion Act and approval of the formation plan under Article 52 of the same Act;
15. Permission for the occupation and use of public waters as provided in Article 5 of the Public Waters Management Act and authorization of the plan of works as provided in Article 8 of the same Act (excluding public waters pending reclamation under license therefor);
16. Consultation with or approval of the road administration agency as referred to in Article 8 of the Road Act, permission for the execution of road works as provided in Article 34 of the same Act, and permission for the occupation and use of roads as provided in Article 40 of the same Act;
17. Permission for the partition of land and alteration to land form and nature as provided in Article 46 of the Urban Planning Act, designation of the implementer of project for urban planning facilities as referred to in Article 59 (5) of the same Act, and authorization of the plan of works as provided in Article 61 of the same Act;
18. Permission for the execution of the public sewage works as provided in Article 13 of the Sewerage Act and permission for the occupation and use of the public sewage system as provided in Article 20 of the same Act;
19. Permission for the reburial of the unidentified or unidentifiable tombs as provided in Article 23 of the Burial and Graveyard, etc. Act;

20. Permission for the execution of harbor works as provided in Article 9 (2) of the Harbor Act and approval of the plan of works as referred to in Article 10 (2) of the same Act;
21. Designation of the implementer of the urban development project as referred to in Article 11 of the Urban Development Act, authorization of the establishment of the association as provided in Article 13 of the same Act, and authorization and public notice of the plan of works as provided in Articles 17 and 18 of the same Act;
22. Approval of the plan of works for housing site development project as referred to in Article 9 of the Housing Site Development Promotion Act;
23. Authorization of the execution as provided in Articles 22 through 24 of the Urban Redevelopment Act;
24. Approval of the basic plan for the development of apartment buildings area as referred to in Article 20 of the Housing Construction Promotion Act;
25. Permission for the construction of private roads as provided in Article 4 of the Private Road Act;
26. Permission for logging, etc. as provided in Article 14 of the Work against Land Erosion and Collapse Act and rescission of the designation of the erosion control land as provided in Article 20 of the same Act;
27. Permission for the execution of small river conservation works as provided in Article 10 of the Small River Maintenance Act;
28. Permission for the exploitation of aggregate as provided in Article 22 of the Aggregate Picking Act;
29. Permission for the use of and benefit from the state-owned properties as provided in Article 24 of the State Properties Act; and
30. Permission for the use and benefit as provided in the proviso of Article 82 (1) of the Local Finance Act.

(2) When the *Do* Governor intends to approve the development project execution, or deliver his opinion thereupon under Article 59, he shall in advance consult with the head of the relevant administrative agency thereon if the project plan includes matters falling under any of subparagraphs of paragraph (1).

**■ Article 61 (Period Required for Processing Application for Execution Approval and Measures Taken at Expiry Thereof)**

(1) The *Do* Governor shall take decision on the application for the development project execution approval as provided in Article 59 within the required period as determined by the Jeju-do

Municipal Ordinance, and it shall be deemed that the permission, etc. has been granted on the date after the expiration date of the required period unless the applicant has been given any notice of the rejection of permission, etc. within the required period. In case that a notice of the rejection of permission, etc. is given within the required period, the *Do* Governor shall notify the person that desires to execute the development project of the reason for rejection in writing under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(2) In case that it is deemed that the permission, etc. has been granted under paragraph (1), the *Do* Governor shall, without delay, deliver a document verifying that the permission, etc. has been granted at the request of the person who desires to execute the development project.

(3) In case that the person that desires to execute the development project, who has been notified of the rejection as provided in paragraph (1), submits documents verifying that the requirements for the permission, etc. as prescribed by the relevant Acts and subordinate statutes have been fulfilled by removing reasons for the rejection of permission, the *Do* Governor shall grant the same approval as was applied for within the period as determined by the Jeju-do Municipal Ordinance.

(4) Paragraph (1) shall apply *mutatis mutandis* to the consultation as provided in Article 60 (2): *Provided, That*, where the *Do* Governor desires to determine a period of consultation and required documents in connection with the development project execution approval as referred to in paragraph (1), he shall in advance consult with the head of the relevant administrative agency on the matter.

#### ■ Article 62 (Designation of Expectant Project Executor)

(1) As regards a person that desires to execute a project which requires the assessment of impact of its works under Article 37 or a project that is required to be preceded by the modification of the national territory utilization plan under Article 8 of the Act on the Utilization and Management of the National Territory, he may be designated by the *Do* Governor as an expectant project executor under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(2) The expectant project executor designated under paragraph (1) shall obtain the project execution approval within two years from the date of such designation and, if he fails to obtain the approval within the two years, his status as expectant project executor shall become invalidated on the date after the lapse of two years from the date on which he was designated as such: *Provided, That*, where the interim period allowed for obtaining the development project approval must inevitably be extended for reasons of undergoing a process of the assessment of impact, etc., it may be extended within the limits of one year and no more than once.

#### ■ Article 63 (Entrustment of Acquisition of Land, etc.)

(1) As regards lands, etc. to be used for development projects (referring to the lands, etc. as provided in subparagraph 1 of Article 2 of the Act on Special Cases concerning the Acquisition of Lands for Public Use and the Compensation for Their Loss; hereinafter the same shall apply), a

project executor may entrust the acquisition of such lands, etc., compensation for loss, the management of purchase and sale thereof, etc. to the *Do* Governor, the heads of *Shis/Guns*, government-invested institutions, local public corporations, and other persons as determined by the Jeju-do Municipal Ordinance under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(2) Matters concerning the fees, etc. payable for the entrustment of the affairs of acquisition, compensation for loss, management of purchase and sale of the lands, etc. under paragraph (1) shall be determined by the Jeju-do Municipal Ordinance.

#### ■ Article 64 (*mutatis mutandis* Application of Other Acts to Development Project Area)

(1) Articles 26 and 27 of the Industrial Sites and Development Act shall apply *mutatis mutandis* to the reversion of public facilities and restrictions on the disposal of the state and public lands within the development project area, for which the project execution approval has been granted under Article 59.

(2) Article 8 of the Act on Special Cases concerning the Acquisition of Lands for Public Use and the Compensation for Their Loss shall apply *mutatis mutandis* to the relocation assistance for those persons who may lose their means of livelihood due to the transfer of their own lands and things or rights within the development project area under paragraph (1).

#### ■ Article 65 (Reduction of or Exemption from Taxes)

If it is necessary for implementing development projects smoothly, the benefit of reduction of or exemption from such taxes as corporate tax, income tax, customs duties, acquisition tax, registration tax, property tax, and aggregate land tax may be given not only to the investors or the enterprises in the investment promotion zone, the science and technology complex, and the free trade zone, but also to those who invest in development project areas or who transfer or acquire the lands, etc. within development project areas, under the conditions as prescribed by the Restriction of Special Taxation Act, the Customs Act, and the Local Tax Act.

#### ■ Article 66 (Reduction of or Exemption from Charges, etc.)

If it is necessary for implementing development project smoothly, the benefit of reduction of or exemption from such charges as development charges, farmland development charges, alternate grassland development charges, and alternate afforestation charges may be given under the conditions as prescribed by the Restitution of Development Gains Act, the Farmland Act, the Grassland Act, and the Forestry Act.

#### ■ Article 67 (Assistance for Vendors of Lands, etc.)

(1) The *Do* Governor or the Development Center may recommend a project executor to adopt measures set forth in the following subparagraphs to assist vendors who have sold their lands that are required for the execution of the development project:

1. If vendors of lands within development project areas desire to operate tourist souvenir shops, direct sale stores for farm, forestry, livestock, and marine products, rest stops, etc. in the business place created by the development project concerned, measures to give them operational rights to do so; and

2. If vendors of lands desire to make land contributions or cash investments, measures to execute the joint development with the project executor.

(2) If the *Do* Governor or the Development Center makes recommendations as referred to in paragraph (1), the project executor shall comply with such recommendations unless it becomes any obstacle to the execution of the development project.

(3) As regards those persons that own lands in the development project areas concerned, who are farmers, foresters, and fishermen as provided in subparagraph 2 of Article 2 of the Act on the Special Measures for Development of Agricultural and Fishing Villages, the *Do* Governor may allow them to invest in the development project in preference to others and may assist them in making such investments with funding from the special account.

#### ■ Article 68 (Preferentially-Treated Development Project)

(1) The *Do* Governor shall promote preferentially-treated development projects under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(2) The preferentially-treated development projects under paragraph (1) are as follows:

1. A project in which Jeju-do residents invest not less than 50% of the total invested capital or a project of which 80% or more of the total employees are Jeju-do residents;

2. A project which may have outstandingly widespread economic or environmental influence over agriculture, forestry, livestock industry, and fishery;

3. A project which requires special development in the interests of the promotion of local culture and arts as well as the promotion of tourism;

4. A project which requires special development in the interests of the promotion of tourism, such as tourist souvenir making business, folk-wine manufacturing and selling business; and

5. Other projects as deemed by the *Do* Governor to be necessary for improving the welfare of Jeju-do residents.

(3) In order to promote the preferentially-treated development projects smoothly, the *Do* Governor may, if deemed necessary, provide subsidies or loans to those who run such projects.

#### ■ Article 69 (Assistance for Neighborhood to Development Project Area)

The *Do* Governor or the Development Center may assist projects for solving the inconveniences of the residents caused by the execution of development projects performed under the project execution approval as provided in Article 59 (1) or for improving their living environment, and may also provide loans or subsidies to assist the residents of the area concerned in undertaking an income-earning business, etc. in order to enhance their income standards.

■ **Article 70 (Priority Given to Employment of Neighborhood Residents)**

Any person who has obtained the development project execution approval under Article 59 shall give priority for employment to the residents in the neighborhood to the development project area concerned.

■ **Article 71 (Establishment of Special Account for Jeju-do Development Projects)**

(1) A special account for Jeju-do development projects (hereinafter referred to as the "special account") shall be established in order to secure and assist funds required for development projects.

(2) The *Do* Governor shall manage and operate the special account.

(3) The revenues of the special account shall be as follows:

1. Contributions from the State and the local governments;
2. Funds transferred from the general account or other special accounts of Jeju-do;
3. Financial resources obtained from the disposals of the public properties located within development project area;
4. Contributions from individuals, corporations, cooperatives, and other organizations;
5. Charges for unprocessed underground water and amount of undue profits as provided in Article 35;
6. Assistance and loan as provided in Article 6 of the Special Accounts on Land Management and Balanced Regional Development Act;
7. Funds created by the issuance of tourist lottery tickets as referred to in Article 55;
8. Profits accrued from the investments as referred to in Article 103 (1); and
9. Revenues other than those referred to in subparagraphs 1 through 8.

(4) The expenditures of the special account shall be disbursed for the purposes of funding for the projects set forth in the following subparagraphs:

1. Funding for the preservation and management of local culture and cultural properties;
  2. Funding for promoting the agriculture, forestry, livestock industry, and fishery;
  3. Funding for promoting the tourist industry;
  4. Funding for programs for the improvement of living environment, public health, and social welfare;
  5. Funding for improving and preserving the regional environments;
  6. Funding for promoting education, culture, and arts;
  7. In case of running preferentially-treated development project under Article 68, funding for loans to finance such a project;
  8. Subsidies or loans provided to the organizations of farmers and fishermen that desire to invest in development projects;
  9. Subsidies and loans provided to assist an income-increasing project which is jointly promoted by the residents;
  10. If a local government is a project executor, funding for purchasing lands located within the development project area concerned.
  11. Funding for the conservation and management of underground water;
  12. Funding for the management and operation of the special account;
  13. Funding for the promotion of regional informatization programs; and
  14. Funding for such other projects as are determined by the Jeju-do Municipal Ordinance in order to achieve the objectives of the establishment of the special account.
- (5) Such matters as may be necessary for the formulation and operation of the revenues and expenditure of the special account shall be determined by the Jeju-do Municipal Ordinance.

## **CHAPTER XI JEJU FREE INTERNATIONAL CITY**

### **DEVELOPMENT CORPORATION**

#### **■ Article 72 (Establishment)**

A Jeju Free International City Development Center shall be established for the purpose of an efficient promotion of development projects designed to build Jeju Free International City.

■ **Article 73 (Legal Personality and Offices)**

(1) The Development Center shall be a juristic person.

(2) The place of the principal office of the Development Center shall be determined by the articles of association.

(3) The Development Center may, if necessary, establish branch offices under the conditions as prescribed by the articles of association.

■ **Article 74 (Registration)**

(1) The Development Center shall be established by effecting the registration of incorporation in the place where its principal office is located.

(2) Necessary matters concerning the registration of incorporation and other registrations of the Development Center shall be determined by the Presidential Decree.

(3) Such matters as require the registration under paragraph (1) shall not be effective in respect of third parties before the registration is completed.

■ **Article 75 (Articles of Association)**

(1) The following matters shall be entered in the articles of association of the Development Center:

1. Purpose;
2. Name;
3. Place of the principal office;
4. Matters concerning the affairs of the Development Center and the execution thereof;
5. Matters concerning assets and accounting;
6. Matters concerning the executive and the staff;
7. Matters concerning the board of directors;
8. Matters concerning the modification of the articles of association; and
9. Matters concerning public notice.

(2) If the Development Center desires to modify its articles of association, it shall obtain approval from the Minister of Construction and Transportation.

## ■ Article 76 (Functions)

(1) The Development Center shall perform the functions set forth in the following subparagraphs:

1. Formulation and implementation of the project execution plans for the promotion of Jeju Free International City;

2. Execution of the following projects designed for the development of Jeju Free International City:

(a) Acquisition of lands and their development, possession, management, supply, and lease;

(b) Creation and management of the science and technology complex and the investment promotion zone;

(c) Marketing and publicity designed for the attraction of domestic and foreign investments;

(d) Overall assistance for domestic and foreign investors, such as counselling, guidance, civil affairs administration service; and

(e) Such other matters as may be necessary for the development of Jeju Free International City, such as assistance projects designed for enhancing the income standards of Jeju-do residents; and

3. The following profit-making projects designed for creating such funds as may be required for the development of Jeju Free International City:

(a) Operation of the designated duty-free shops;

(b) Outdoor advertizing business; and

(c) Such other projects as approved by the Minister of Construction and Transportation.

(2) In order to efficiently carry out the functions and projects as referred to in paragraph (1), the Development Center may, subject to the decision of the board of directors, establish a subsidiary company and invest the whole or part of its capital therein.

## ■ Article 77 (Executives)

(1) The Development Center shall have not more than seven members of the board of directors including the chief director and three full-time members, and one auditor.

(2) The chief director of the board of directors shall, on the recommendation of the board of directors, be appointed and dismissed by the Minister of Construction and Transportation.

(3) The auditor shall be appointed and dismissed by the Minister of Construction and Transportation.

(4) The members of the board of directors shall, with the approval of the Minister of Construction and Transportation, be appointed and dismissed by the chief director of the board of directors.

(5) The terms of office of the chief director and the members of the board of directors shall be three years, and they may be reappointed.

(6) The term of office of the auditor shall be two years, and he may be reappointed only once.

(7) In case that a vacancy occurs among the executives, a new successor shall be appointed and his term of office shall count from the date of appointment.

#### ■ Article 78 (Duties of Executives)

(1) The chief director of the board of directors shall represent the Development Center, exercise the overall control of the affairs of the Development Center, and assume responsibility for the performance of its management.

(2) In the event that the chief director of the board of directors is unable to perform his duty due to inevitable circumstances, one of the members of the board of directors shall act on his behalf under the conditions as prescribed by the articles of association.

(3) The auditor shall inspect the management of the affairs of the Development Center, and audit its accounts.

#### ■ Article 79 (Appointment of Agent)

The chief director of the Development Center may, under the conditions as prescribed by the articles of association, appoint an agent from among the staff members under his authority, who is empowered to take all judicial or extra-judicial actions on his behalf in respect of the affairs of the Development Center.

#### ■ Article 80 (Restriction on Exercise of Power of Representation)

In respect of matters in which the interests of the chief director and those of the Development Center are incompatible, the chief director of the board of directors shall not represent the Development Center, but the auditor shall represent it,

#### ■ Article 81 (Disqualification for Executive)

Any person who falls under any of the following subparagraphs may not become an executive of the Development Center:

1. A minor, person of incompetency, or person of quasi-incompetency;

2. A person who has been declared bankrupt and fails to be reinstated;
3. A person in whose case two years has not passed yet since his imprisonment without labor or heavier punishment as declared by a court was completely executed (including a case where it is deemed to have completely been executed) or exempted from being executed;
4. A person who is under the suspension of the execution of imprisonment without labor or heavier punishment; and
5. A person whose qualification has been suspended, or who has been disqualified, by law or by the decision of a court.

■ **Article 82 (Board of Directors)**

- (1) The board of directors shall be established under the Development Center in order to deliberate and decide on important matters related to its management.
- (2) The board of directors shall consist of the chief director and the members of the board of directors.
- (3) The chief director of the board of directors shall convoke a meeting of the board of directors and preside over the meeting.
- (4) A meeting of the board of directors shall make decision by the attendance of a majority of the total members and with a concurrent vote of a majority of those present.
- (5) The auditor may attend a meeting of the board of directors and give his opinion.

■ **Article 83 (Appointment and Dismissal of Staff)**

The staff members shall be appointed and dismissed by the chief director of the board of directors under the conditions as prescribed by the articles of association.

■ **Article 84 (Prohibition of Revelation, etc. of Secrets)**

An executive or a staff member of the Development Center or any other person who was in such a position shall not reveal or use by stealth any secrets of which he became aware in the process of performing his duty.

■ **Article 85 (Prohibition of Use of Similar Name)**

No person that is not the Development Center under this Act shall use the term "Jeju Free International City Development Center" or any other name confused therewith.

■ **Article 86 (Request for Dispatch of Public Officials, etc.)**

The Development Center may, if deemed necessary for the purposes of performing its functions, request the relevant administrative agencies and corporations or organizations to assign, to its office, public officials as provided in Article 2 of the State Public Officials Act or Article 2 of the Local Public Officials Act and executives or staff members of the corporations or organizations under the conditions as prescribed by the Presidential Decree.

#### ■ Article 87 (Fund Raising)

The Development Center shall raise funds necessary for performing its functions as referred to in Article 76 from the financial resources of the following subparagraphs:

1. Contributions or subsidies from the Government and entities other than the Government;
2. Funds raised from the issuance of bonds;
3. Funds borrowed (including funds borrowed and materials brought from foreign countries; hereinafter the same shall apply);
4. Proceeds accruing from profit-making projects; and
5. Other revenues.

#### ■ Article 88 (Loan, etc. of State and Public Properties)

(1) The State or the local governments may gratuitously loan the state or public properties to the Development Center or may allow it to use them and benefit therefrom if it is deemed necessary to do so for carrying out its projects as referred to in Article 76 efficiently.

(2) The Development Center may construct buildings and other permanent structures on the state or public properties loaned, or allowed to use and benefit from, under paragraph (1).

(3) The contents, terms, and procedures, etc. of the gratuitous loan or use and benefit as provided in paragraph (1) shall be stipulated by the contract made between the administrative agency managing the properties or things concerned and the Development Center.

#### ■ Article 89 (Outdoor Advertisements, etc.)

The Development Center may run a profit-making business by means of outdoor advertising within Jeju-do in accordance with the provisions of the Outdoor Advertisement, etc. Control Act in order to provide itself with such funds as may be required for the development of Jeju Free International City: *Provided*, That such matters as type, size, location, etc. of outdoor advertisements shall, notwithstanding the provisions of the Outdoor Advertisements, etc. Control Act, be determined by the Presidential Decree.

#### ■ Article 90 (Request for Materials)

(1) The Development Center may request the relevant administrative agencies and organizations, etc. to cooperate in providing data and materials if necessary for carrying out its development projects.

(2) The heads of the administrative agencies or organizations requested under paragraph (1) shall comply therewith unless there exists any special reason to the contrary.

■ **Article 91 (Approval of Budget, etc.)**

The Development Center shall formulate the plans of projects and budget for the following business year and submit them to the Minister of Construction and Transportation for approval one month before the beginning of each business year. The same shall also apply where it desires to modify them.

■ **Article 92 (Statement of Accounts)**

The Development Center shall submit the statement of closing accounts of revenues and expenditures of every business year to the Minister of Construction and Transportation together with a report on the performance of its management of the concerned year until the end of February of the next year.

■ **Article 93 (Business Year)**

The business year of the Development Center shall conform to the fiscal year of the Government.

■ **Article 94 (Accounting Rules, etc.)**

The Development Center shall determine such matters as its organization, budget, and obtain approval thereof from the Minister of construction and Transportation. The same shall also apply where it desires to modify them.

■ **Article 95 (Loans, etc.)**

(1) The Development Center may borrow funds (including fund borrowed and materials brought from foreign countries) with the approval of the Minister of Construction and Transportation under the conditions as prescribed by the relevant Act if it is necessary to do so for carrying out its projects as referred to in Article 76.

(2) If the Minister of Construction and Transportation intends to approve the borrowing of funds as provided in paragraph (1), he shall consult with the head of the relevant central administrative agency thereon in advance.

■ **Article 96 (Investments, etc. in Other Projects)**

The Development Center may make investments in or contributions to other related projects under the conditions as prescribed by the Presidential Decree if it is necessary to do so for carrying out its functions and projects as provided in Article 76 efficiently.

#### ■ Article 97 (Issuance, etc. of Bonds)

(1) The Development Center may issue bonds designed to provide itself with funds required for carrying out its projects as provided in Article 76.

(2) If the Development Center intends to issue bonds as provided in paragraph (1), it shall obtain approval from the Minister of Construction and Transportation. In this case, the Minister of Construction and Transportation shall consult with the head of the relevant central administrative agency thereon in advance.

(3) The Government may guarantee the repayment of the principal and interest of the bonds that are issued by the Development Center.

(4) The Government may assist a part of expenditures required for the repayment of interest of the bonds that are issued by the Development Center.

(5) The principal of the bonds shall become invalidated after five years counting from the date of its repayment, and the interest thereof invalidated after two years counting from the date of their payment, by the process of negative prescription.

(6) Other matters necessary for the issuance, etc. of bonds shall be determined by the Presidential Decree.

#### ■ Article 98 (Guidance and Supervision)

(1) The Minister of Construction and Transportation shall guide and supervise the Development Center and also may, if deemed necessary, have it report to him on matters relating to its management, accounting, and assets or direct public officials under his authority to inspect books, documents, facilities, and other items.

(2) Where any illegalities or irregularities have been discovered as a result of the report or the inspection as provided in paragraph (1), the Minister of Construction and Transportation may order the Development Center to redress them.

(3) A public official who conducts the inspection under paragraph (1) shall carry a certificate or document verifying his authority and present it to the interested persons.

#### ■ Article 99 (Reversion of Residual Assets)

In case of the dissolution of the Development Center, the Act on the Establishment and Operation of Public-Service Corporations shall apply *mutatis mutandis* to the disposal of its residual assets.

#### ■ Article 100 (Relationship with Other Acts)

Except as provided in this Act, the provisions concerning an incorporated foundation as referred to in the Civil Act shall apply *mutatis mutandis* to the organization, management, etc. of the Development Center.

### CHAPTER XII SUPPLEMENTARY PROVISIONS

#### ■ Article 101 (Report to National Assembly)

The Minister of Construction and Transportation shall submit a report on the promotion of Jeju Free International City to the National Assembly each year before the opening of the regular session of the National Assembly.

#### ■ Article 102 (Increase, etc. of State Subsidy)

(1) Notwithstanding the differential levels of subsidies as provided in Article 10 of the Act on the Budgeting and Management of Subsidies and the levels of subsidies as provided by other Acts, the State subsidy levels for those development projects which are determined by the Presidential Decree may be increased according to the levels of subsidies as determined by the Presidential Decree.

(2) The State shall, in its assistance for development projects, give priority to investments in constructing the development-related public facilities, such as roads, water supply and sewage systems, energy supply facilities, information and communication infrastructure, service water arrangements, airports, seaports, basic environmental facilities, as well as to investments in building the basic infrastructure for such projects as are designed for promoting agriculture, forestry, livestock industry, and fishery, for increasing the income level of farmers and fishermen, and for facilitating agricultural restructuring.

(3) In order to efficiently implement the contents of the Government assistance as determined by the Promotion Committee in accordance with the plan of investment by fiscal year, which is formulated under Article 6, the State may provide the state subsidies comprehensively by projects to assist under the conditions as prescribed by the Act on the Budgeting and Management of Subsidies.

#### ■ Article 103 (Contributions, etc. to Development Center, etc.)

(1) The local government of Jeju-do may, with the approval of the *Do* Council, make contributions to or investments in the Development Center established under Article 72 or the local public corporations under Article 49 of the Local Public Enterprises Act.

(2) In the case of contributions or investments as referred to in paragraph (1), the local government of Jeju-do may, notwithstanding Article 82 of the Local Finance Act, use

administrative properties or reserved properties for the purposes of such contributions or investments.

(3) The administrative or reserved properties contributed or invested under paragraph (2) shall be appraised once a year in accordance with the method of appraisal as determined by the Presidential Decree.

(4) In case the local government of Jeju-do makes investments in a local public corporation under paragraph (1), an entity other than a local government may, notwithstanding Article 53 (2) of the Local Public Enterprises Act, be authorized to invest half the total capital or more and the top limit of this investment shall be determined by the Jeju-do Municipal Ordinance. The same shall also apply in case of capital increase.

#### ■ Article 104 (Application of Administrative Procedures Act)

(1) In case of formulating the Master Plan, a public hearing shall be held in accordance with the Administrative Procedures Act.

(2) In a case falling under any of the following subparagraphs, the *Do* Governor shall give the residents opportunities to deliver their opinions under the conditions as prescribed by the Administrative Procedures Act:

1. Where he desires to formulate or modify the Master Plan;
2. Where he desires to formulate or modify plans for facilities serving a large area under Article 8;
3. Where he desires to designate or modify an absolute conservation area, relative conservation area, mountainside conservation area, and conservation zone of an area other than the mountainside area under Articles 27 through 29 and 31;
4. Where he desires to designate or modify conservation resources under Article 32; and
5. Where he desires to designate or modify an area of underground water resources under special control under Article 33 (6).

(3) In a case falling under any of the following subparagraphs, the *Do* Governor shall hold a hearing in accordance with the Administrative Procedures Act:

1. Where he desires to revoke permission for conservation resources buying and selling business granted under Article 32 (5);
2. Where he desires to revoke an underground water development and exploitation permit under Article 33 (5);
3. Where he desires to rescind the designation of an investment promotion zone under Article 43;

4. Where he desires to revoke the registration of the pension-based recreation business under Article 53 (8);
5. Where he desires to revoke the designation of the local culture tour area designated under Article 57 (1);
6. Where he desires to revoke the development project execution approval under Article 59 (1);
7. Where he desires to revoke the designation of the expectant project executor designated under Article 62; and
8. Where he desires to revoke authorization, approval, permission, registration, or designation under Article 105 (1).

#### ■ Article 105 (Supervision)

(1) Where a project executor or enterpriser under this Act falls under any of the following subparagraphs, the *Do* Governor may revoke the authorization, approval, permission, registration, or designation made by this Act, order the cessation of validity thereof, the suspension of construction works, or the remodelling, alteration, transfer, or removal of the buildings or structures, or give instructions for other necessary measures:

1. Where the project executor or enterpriser has obtained by deceit or any other wrongful methods the authorization, approval, permission, registration, or designation made by this Act;
2. Where it is deemed impossible or harmful to the public interest to continue the execution of a development project owing to the change of situation; and
3. Where the project executor or enterpriser has violated this Act or orders or dispositions under this Act.

(2) Where the *Do* Governor has ordered measures as provided in paragraph (1), he shall notify it publicly under the conditions as prescribed by the Jeju-do Municipal Ordinance.

### CHAPTER XIII PENAL PROVISIONS

#### ■ Article 106 (Penal Provisions)

Any person who falls under any of the following subparagraphs shall be punished by imprisonment with or without labor for not more than three years or by a fine not exceeding 10 million won:

1. A person who has traveled from Jeju-do to other area within the Republic of Korea without the sojourn area extension permit as provided in Article 15 (1); and
2. A person who has violated Article 16.

#### ■ Article 107 (Penal Provisions)

Any person who falls under any of the following subparagraphs shall be punished by imprisonment for not more than two years or by a fine not exceeding 5 million won:

1. A person who has performed acts violating Article 27 (3) in the absolute conservation area;
2. A person who has performed acts violating Article 28 (2) in the relative conservation area;
3. A person who has performed acts violating Article 30 (1) (including acts subject to cases of application as provided in Article 31 (2));
4. A person who has run a business relating to the purchase and sale of conservation resources in Jeju-do or who has taken conservation resources out of Jeju-do, without the permission of the *Do* Governor in violation of Article 32 (5);
5. A person who has developed and exploited underground water without an underground water development and exploitation permit, or without approval of the extension of the duration or the modification of the permit as provided in Article 33 (1) or (2);
6. A person who has discharged substances which may seriously pollute underground water into geologically structured areas that are highly permeable to water, such as tunnels, depressions, or who has disposed of such substances by pouring them into underground area in violation of Article 34 (1);
7. A person who has run a pension-based recreation business without the relevant registration thereof as provided in Article 53 (1); and
8. A person that is or was an executive or a staff member of the Development Center under Article 84, who has revealed or used by stealth any secrets of which he became aware in the process of performing his duty.

#### ■ Article 108 (Penal Provisions)

(1) Any person who has violated Article 17 shall be punished by a fine not exceeding 3 million won.

(2) Any person who has rejected a due demand that, in the exercise of his duties, an immigration officer or any other competent officer made upon him as a requirement for ascertaining whether he bears a sojourn area extension permit in accordance with Article 15 (5) shall be punished by a fine not exceeding one million won.

#### ■ Article 109 (Attempted Crime, etc.)

(1) Any person who has premeditated or plotted to commit a crime under subparagraph 1 or 2 of Article 106 or who has attempted to commit such a crime shall be subjected to a punishment equal to the one for this crime.

(2) Any person who has aided and abetted the act as provided in paragraph (1) shall be subjected to a punishment equal to the one to which the principal is subjected.

#### ■ Article 110 (Joint Penal Provisions)

Where the representative of a corporation, or an agent, employee, or any other hired person of the corporation or an individual commits a crime as provided in Article 107 in respect of the affairs of the corporation or the individual, not only shall the wrongdoer be punished accordingly, but also the corporation or the individual shall be punished by a fine as referred to in Article 107.

#### ■ Article 111 (Fine for Negligence)

(1) Any person who falls under any of the following subparagraphs shall be punished by a fine for negligence not exceeding 10 million won:

1. A person who has violated the disposition, order, or measures of the *Do* Governor under Article 32 (3);

2. A person who has violated the provisions of the Jeju-do Municipal Ordinance concerning the supervision of works for the setting up of facilities for the development and exploitation of underground water as referred to in Article 34 (2) 1;

3. A person who fails to take the required measures for the livestock, marine products and plants brought in or taken out of Jeju-do as referred to in Article 40 (2); and

4. A person who fails to fulfill the disposition or orders made or given by the *Do* Governor under Article 105 (1).

(2) Any person who has violated the necessary measures adopted for production adjustment, stock release adjustment, and quality control as provided in Article 50 (1) shall be punished by a fine for negligence not exceeding 5 million won.

(3) Any person who rejects the demand of an immigration officer for the submission of books or materials as provided in Article 19 (1) shall be punished by a fine for negligence not exceeding 2 million won.

(4) Any person who falls under any of the following subparagraphs shall be punished by a fine for negligence not exceeding 1 million won:

1. A person who has run the business without any report on succession to status as provided in Article 53 (5);

2. A person who has violated Article 53 (6); and

3. A person who has violated Article 85.

(5) The fines for negligence as referred to in paragraphs (1) through (4) shall be imposed and collected by the *Do* Governor under the conditions as prescribed by the Jeju-do Municipal Ordinance.

(6) Any person who is dissatisfied with a disposition of fine for negligence as provided in paragraph (5) may raise an objection to the *Do* Governor within 30 days from the date he is publicly notified of the said disposition.

(7) If any person subject to a disposition of fine for negligence as provided in paragraph (5) raises an objection under paragraph (6), the *Do* Governor shall notify it without delay to the competent court and the court so notified shall in turn proceed to a trial on a fine for negligence in accordance with the Non-Contentious Case Litigation Procedure Act.

(8) If neither an objection is raised nor is the fine for negligence paid within such a period as prescribed in paragraph (6), the said fine for negligence shall be collected by referring to the practices of dispositions on default of local taxes.

(9) Notwithstanding paragraphs (5) through (8), procedures for the disposition of a fine for negligence and the imposition and collection thereof, etc. under paragraph (3) shall be subject to Article 100 (4) of the Immigration Control Act.

#### ■ Article 112 (Disposition of Accusation and Notification)

(1) No person may be prosecuted for a case violating any of the provisions of Chapter V unless there is filed a formal complaint on the part of the chief of a district office, branch office, or immigration processing center.

(2) If a person is booked by an investigative authority other than an immigration officer for a case falling under paragraph (1), his case shall without delay be referred to the chief of a district office, branch office, or immigration processing center concerned.

(3) If the chief of a district office, branch office, or immigration processing center obtains a decisive evidence of guilt as a result of investigation into the case as referred to in paragraph (1), he may give the offender a written notification of a demand for the payment of an amount equivalent to a fine (hereinafter referred to as "penalty") at a designated place specifying the reasons for the penalty. If the offender concerned pays the penalty as notified, he shall not be placed in double jeopardy.

(4) If as a result of the investigation the nature of the offense is deemed to be liable to imprisonment without labor or a heavier punishment, the chief of a district office, branch office, or immigration processing center shall accuse the offender immediately.

(5) The guidelines on the amount of penalty as provided in paragraph (3) shall be determined by the Ordinance of the Ministry of Justice.

(6) The Minister of Justice may exempt the offender from the disposition of notification as provided in paragraph (3), taking into account his age and living conditions, motives and results of the offense, his ability to bear the penalty, and other circumstances.

(7) The provisions of the Immigration Control Act shall apply *mutatis mutandis* to the service of the disposition of notification under paragraph (3) and other procedures.

## **ADDENDA**

### **■ Article 1 (Enforcement Date)**

This Act shall enter into force on April 1, 2002: *Provided*, That Article 2 of these Addenda shall enter into force on the date of its promulgation.

### **■ Article 2 (Preparation for Establishment of Jeju Free International City Development Center)**

(1) A Committee on the Establishment of Jeju Free International City Development Center (hereinafter referred to as the "Establishment Committee") shall be established in order to deal with the affairs relating to the establishment of the Development Center.

(2) The Establishment Committee shall be composed of seven members or less commissioned by the Minister of Construction and Transportation.

(3) The Establishment Committee shall formulate the articles of association and obtain the authorization of the Minister of Construction and Transportation therefor.

(4) The chief director of the Development Center at the time of its establishment shall be appointed by the Minister of Construction and Transportation.

(5) If the articles of association are authorized under paragraph (3), the Establishment Committee shall, without delay, make the registration of incorporation and turn over all its relevant affairs to the chief director of the Development Center.

### **■ Article 3 (Transitional Measures concerning Master Plan)**

The Jeju-do Master Development Plan under the previous provisions at the time of enforcement of this Act shall be deemed to be the Master Plan for Jeju Free International City formulated under the amended provisions of Article 4 .

### **■ Article 4 (Transitional Measure concerning Master Plan Deliberative Committee)**

The Jeju-do Master Development Plan Deliberative Committee as defined under previous provisions at the time of enforcement of this Act shall be deemed to be the Committee on the

Deliberation of the Master Plan for Jeju Free International City established under the amended provision of Article 11.

■ **Article 5 (Transitional Measures concerning Establishment and Administration of Foreign Universities)**

The special case applicable to the establishment and administration of foreign universities as referred to in Article 22 shall be determined by the relevant Act within six months after the enforcement of this Act.

■ **Article 6 (Transitional Measures concerning Waste Facilities, etc.)**

In case that an area in which there exist waste disposal facilities, wastewater disposal facilities, or terminal facilities for the disposal of sewage and wastewater, which remain set up at the time of enforcement of this Act, has been designated by the *Do* Governor as an underground water resources conservation zone under the amended provision of Article 29 (2), such wastewater disposal facilities shall be improved within two years after the designation of the underground water resources conservation zone under the conditions as prescribed by the Jeju-do Municipal Ordinance.

■ **Article 7 (Transitional Measures concerning Absolute and Relative Conservation Area)**

As respects the absolute or relative preservation area within a mountainside area designated and publicly notified under the previous provisions at the time of enforcement of this Act, its designation as such shall be deemed to be rescinded concurrently with the designation and public notice of the said mountainside area as a mountainside conservation area in accordance with the amended provisions of Article 29 (1) and (4).

■ **Article 8 (Transitional Measures concerning Conservation Resources)**

The conservation resources designated and publicly notified under the previous provisions at the time of enforcement of this Act shall be deemed to be the conservation resources that have been designated and publicly notified under the amended provision of Article 32.

■ **Article 9 (Transitional Measures concerning Examination of Environmental Compatibility)**

The environmental compatibility of a project on which the *Do* Governor was already consulted under the previous provisions at the time of enforcement of this Act shall be deemed to be the environmental compatibility on which the *Do* Governor has been consulted under the amended provisions of Article 36.

■ **Article 10 (Transitional Measures concerning Assessment of Impact on Environment)**

(1) The assessment of impact on the environment on which the *Do* Governor was already consulted under the previous provisions at the time of enforcement of this Act shall be deemed to

be the assessment of impact on the environment on which the *Do* Governor has been consulted under the amended provisions of Article 37.

(2) As respects the development project in which case a draft report on the assessment of impact on the environment was already submitted to the relevant administrative agency under the previous provisions at the time of enforcement of this Act, the proviso of Article 37 (1) shall not apply thereto.

■ **Article 11 (Transitional Measures concerning Pension-Based Re-creation Business)**

If a person made the registration of a pension business or obtained the approval of the business plan under previous provisions at the time of enforcement of this Act, he shall be deemed to have made the registration of a pension-based recreation business or obtained the approval of the business plan under the amended provisions of Article 53.

■ **Article 12 (Transitional Measures concerning Imposition and Collection of Tourism Promotion Dues)**

The imposition, collection, and payment of tourism promotion dues levied under the previous provisions at the time of enforcement of this Act shall be governed by the previous provisions.

■ **Article 13 (Transitional Measures concerning Development Projects)**

A development project the approval of which was obtained or on which the required opinion was heard under the previous provisions at the time of enforcement of this Act, shall be deemed to be a development project the approval of which has been obtained or on which the required opinion has been heard under the amended provisions of Article 59.

■ **Article 14 (Transitional Measures concerning Penal Provisions, etc.)**

The application of penal provisions and fines for negligence to acts done prior to the enforcement of this Act shall be subject to the previous provisions.

■ **Article 15 (General Transitional Measures)**

Dispositions made or procedures followed under the previous provisions and other actions taken thereunder at the time of enforcement of this Act shall be deemed to be dispositions or procedures and other actions under the provisions of this Act insofar as they are not in conflict with the provisions of this Act.

■ **Article 16** Omitted.

■ **Article 17 (Relationship with Other Acts)**

Any reference made by other Acts to the Special Act on Jeju-do Development or its provisions at the time of enforcement of this Act shall be deemed to be a reference made to this Act or its provisions corresponding thereto if there exist any such provisions in this Act.

#### **ADDENDA**

##### **■ Article 1 (Enforcement Date)**

This Act shall enter into force on the date of its promulgation. (Proviso Omitted.)

##### **■ Articles 2 and 3 Omitted.**

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