

SUPPORT FOR SMALL AND MEDIUM ENTERPRISE ESTABLISHMENT ACT

Wholly Amended by Act No. 8362, Apr. 11, 2007

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Act No. 8606, Aug. 3, 2007

Act No. 8635, Aug. 3, 2007

Act No. 8819, Dec. 27, 2007

Act No. 8852, Feb. 29, 2008

Act No. 8974, Mar. 21, 2008

Act No. 8976, Mar. 21, 2008

Act No. 9160, Dec. 19, 2008

Act No. 9379, Jan. 30, 2009

Act No. 9401, Jan. 30, 2009

Act No. 9584, Apr. 1, 2009

Act No. 9685, May 21, 2009

Act No. 9758, jun. 9, 2009

Act No. 9770, jun. 9, 2009

Act No. 9774, jun. 9, 2009

Act No. 9889, Dec. 30, 2009

Act No. 10272, Apr. 15, 2010

Act No. 10310, May 25, 2010

Act No. 10331, May 31, 2010

Act No. 10354, jun. 8, 2010

Act No. 10533, Apr. 4, 2011

Act No. 10599, Apr. 14, 2011

Act No. 10892, Jul. 21, 2011

Act No. 11037, Aug. 4, 2011

Act No. 11483, Aug. 13, 2012

Act No. 11655, Mar. 22, 2013

Act No. 11690, Mar. 23, 2013

Act No. 11845, May 28, 2013

Act No. 12009, Aug. 6, 2013

Article 1 (Purpose)

The purpose of this Act is to contribute to the establishment of a solid industrial structure through sound development of small and medium enterprises by facilitating the setting-up of small and medium businesses and developing a firm basis for their growth.

Article 2 (Definitions)

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

1. The term "business start-up" means to establish a new small or medium-sized business. The scope of business start-up in such cases shall be prescribed by Presidential Decree;
2. The term "business starter" means a person who starts up a small or medium-sized business or a person who has engaged in his/her business for less than seven years or less since commencing the business. Further details concerning the business commencements in such cases shall be prescribed by Presidential Decree;
3. The term "small and medium businesses" means small or medium-sized businesses as defined in Article 2 of the Framework Act on Small and Medium Enterprises;
4. The term "small and medium business start-up investment company" means a company whose main business is to invest in business starters and whose registration has been completed in accordance with Article 10;
5. The term "small and medium business start-up investment cooperative" means a cooperative whose main purposes are to invest in business starters and distribute benefits therefrom and whose registration has been completed in accordance with Article 20;
6. The term "small and medium business consulting company" means a company that engages in the business of assessing and evaluating the business feasibility of small and medium enterprises and whose registration has been completed in accordance with Article 31;
7. The term "business incubator" means a place of business whose main purposes are to provide business starters with facilities and space and to assist them in business management and technology in order to enhance the possibility of success of business start-ups.

Article 3 (Scope of Application)

This Act shall apply to the affairs pertaining to business start-ups: Provided, That this shall not apply to the types of small and medium-sized businesses specified by Presidential Decree, such as finance business, insurance business, and real estate business. <Amended by Act No. 10533, Apr. 4, 2011>

Article 4 (Establishment of Plan for Supporting Business Start-Ups)

- (1) The Administrator of the Small and Medium Business Administration shall establish and publicly notify a plan for supporting small and medium business start-ups for the purposes of accelerating business

start-ups and helping business starters' growth and development.

(2) The Government may provide business starters and persons who engage in the business of supporting business start-ups, as prescribed by Presidential Decree, with support as may be necessary, including but not limited to investments, contributions, subsidies and loans.

(3) The Administrator of the Small and Medium Business Administration may request the head of a relevant central administrative agency or the head of a local government of the related materials in order to formulate a plan for supporting business start-ups referred to in paragraph (1). *<Newly Inserted by Act No. 10354, Jun. 8, 2010>*

Article 4-2 (Acceleration, etc. of Projects to Promote Business Start-Ups)

(1) The Administrator of the Small and Medium Business Administration may implement the following projects or develop and execute necessary policies in order to accelerate small and medium business start-ups and to improve the success rate of the business start-ups of business starters: *<Amended by Act No. 12009, Aug. 6, 2013>*

1. Finding and nurturing competent future business starters (referring to persons that intend to establish small and medium businesses; hereinafter the same shall apply in this Article) and supporting them;
2. Supporting the commercialization of outstanding ideas of the business starters;
3. Finding and nurturing present or future business starters through enterprises, business start-up related organizations, etc.;
4. Other projects prescribed by Presidential Decree, such as training for the establishment of business and extension of the infrastructure of business start-ups.

(2) If the Administrator of the Small and Medium Business Administration deems it necessary for promotion of projects under paragraph (1), he/she may contribute or subsidize all or any part of expenses incurred in implementing the relevant business to universities, research institutes, public institutions, organizations related to the business start-ups, small and medium businesses, and possible future business starters within the budgetary limits.

(3) Necessary matters for the procedures and methods, etc. of contribution and subsidization under paragraph (2) shall be prescribed by Presidential Decree.

Article 4-3 (Support for Business Re-Startups)

The Administrator of the Small and Medium Business Administration may implement necessary projects to assist any person seeking to re-found a business due to business closure, bankruptcy, etc. in re-founding his/her business, as follows:

1. Discovery of and business re-startup education for entrepreneurs seeking to re-found small and medium businesses with excellent know-how and experience;
2. Institutional improvements to alleviate various burdens, restrictions, etc. obstructing business re-startups;
3. Consulting services, including tax and legal counselling, to support business re-startups;

4. Expansion of business re-startup support facilities, including the designation and operation of educational centers;
5. Other projects deemed necessary by the Administrator of the Small and Medium Business Administration to support business re-startups.

Article 5 (Furnishing Information about business start-ups)

The Government shall take measures necessary for providing information about funds, human resources, technology, marketing channels, conditions of business locations, etc. required for business start-ups and the growth and development of small and medium businesses.

Article 6 (Designation, etc. of Operators of Business Incubators)

(1) A person that establishes and runs a business incubator (including a person that intends to establish and run such business incubator; hereinafter referred to as "operator of a business incubator") and intends to receive the various support under this Act shall meet the following requirements and obtain designation from the Administrator of the Small and Medium Business Administration: *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

1. He/she shall possess the following facilities and equipment:

- (a) Equipment such as testing or measuring instruments available for the use of business starters;
- (b) Facilities with an area of 500 square meters available for the use of at least 10 business starters;

2. He/she shall have at least two experts, each of whom shall be a holder of a doctorate degree in business administration, an attorney under the Attorney-at-Law Act, or any other professional specified by Presidential Decree;

3. A business plan, etc. for implementing projects of the business incubator shall meet standards prescribed by Ordinance of the Ministry of Trade, Industry and Energy.

(2) Notwithstanding the provisions of the State Property Act and other Acts and subordinate statutes, the State may grant those who have moved into business incubators (hereinafter referred to as "moving-in business starters") the reduction of or exemption from the rent for use of the state-owned property, if necessary to enhance the possibility of success of their business start-ups. *<Amended by Act No. 12009, Aug. 6, 2013>*

(3) Where the State grants the reduction of or exemption from the rent for use of state-owned property pursuant to paragraph (2), an annual rent for the use of state-owned property by the moving-in business starters shall be an amount determined by Presidential Decree within the maximum of an amount obtained by multiplying the property value by at least 1/100. *<Newly Inserted by Act No. 12009, Aug. 6, 2013>*

(4) In granting permission for the use of state-owned property, the period for permission for use thereof shall be prescribed in Article 35 of the State Property Act. *<Newly Inserted by Act No. 12009, Aug. 6, 2013>*

(5) Notwithstanding the provisions of the Public Property and Commodity Management Act and other Acts and subordinate statutes, each local government may grant the moving-in business starters the reduction of or exemption from the rent for use of the public property, as prescribed by Presidential Decree. *<Newly Inserted by Act No. 12009, Aug. 6, 2013>*

Article 7 (Education for Business Start-Ups)

The Administrator of the Small and Medium Business Administration may provide educational courses for business start-ups to juveniles, students in universities and colleges, business starters, etc.

Article 7-2 (Establishment, Operation, etc. of Organizations Exclusively Dedicated to Business Start-Up Support within Universities and Colleges)

(1) Universities and colleges may have organizations exclusively dedicated to business start-up support (hereinafter referred to as "specialized business start-up support organizations"), as prescribed by the school regulations, to perform the projects to promote business start-ups within those universities and colleges.

(2) The Administrator of the Small and Medium Business Administration may provide specialized business start-up support organizations with contributions to cover expenses incurred in operating those organizations or other necessary support.

(3) Where a specialized business start-up support organization seeks to be provided with the support under this Act, it shall keep its account separate from other accounts of the relevant university or college to ensure clarity in its own incomings and outgoings.

(4) Matters necessary for the affairs of specialized business start-up support organizations and for the operation of their accounts under paragraph (3) shall be prescribed by Presidential Decree.

Article 8 (Designation, etc. of Entrepreneur Graduate Schools)

(1) The Administrator of the Small and Medium Business Administration may designate entrepreneur graduate schools (hereinafter referred to as "entrepreneur graduate schools"), which aim at raising professionals in business start-ups, among the graduate schools under Article 29 (1) of the Higher Education Act to contribute the expenses incurred in their operation, etc. within the limits of its budget or provide any other support as may be necessary.

(2) The Administrator of the Small and Medium Business Administration shall give a public notice of the matters necessary for designating, supporting, etc. entrepreneur graduate schools.

Article 9 (Preferential Grant of Subsidy from Fund)

In granting a subsidy from the Fund for the Promotion of Small and Medium Enterprises and the Development of Industrial Infrastructure Therefor under Article 63 of the Small and Medium Enterprises Promotion Act (hereinafter referred to as "Small and Medium Business Establishment and Promotion Fund"), a person who is responsible for the management of such Fund may preferentially grant a subsidy from the Fund to any small and medium business start-up investment company or any small and medium business start-up investment cooperative which meets the standards for the investment results, etc. prescribed by Presidential Decree. <Amended by Act No. 9160, Dec. 19, 2008; Act No. 9685, May 21, 2009>

Article 10 (Registration)

(1) Any person that intends to receive support under this Act as a company that conducts any of the following businesses shall, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy, register it as a small and medium business start-up investment company with the Administrator of the

Small and Medium Business Administration. The same shall also apply where the small and medium business start-up investment company intends to change important matters prescribed by Ordinance of the Ministry of Trade, Industry and Energy, such as the name and seat of the company, among the entries registered: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 9889, Dec. 30, 2009; Act No. 11690, Mar. 23, 2013; Act No. 12009, Aug. 6, 2013>

1. Investment in business starters;
 2. Investment in venture business under the Act on Special Measures for the Promotion of Venture Businesses;
 - 2-2. Investment in small and medium enterprises for technological innovation or management innovation under Articles 15 and 15-2 of the Act on the Promotion of Technology Innovation of Small and Medium Enterprises;
 3. Organization and business of small and medium business start-up investment cooperatives and of the Korea Venture Fund under Article 4-3 of the Act on Special Measures for the Promotion of Venture Businesses;
 4. Overseas investment by methods determined by the Administrator of the Small and Medium Business Administration, such as acquisition of stocks of or stakes in foreign companies;
 5. Investment in projects developed or designed by small and medium businesses and operated in a way that their accounts are kept separate from other project accounts;
 6. Business determined by the Administrator of the Small and Medium Business Administration as businesses incidental to those under subparagraphs 1, 2, 2-2, 3 through 5.
- (2) Any small and medium business start-up investment company shall meet all the following requirements: <Amended by Act No. 8635, Aug. 3, 2007; Act No. 9889, Dec. 30, 2009; Act No. 12009, Aug. 6, 2013; Act No. 12310, Jan. 21, 2014>

1. As a stock company under the Commercial Act, its paid-in capital shall be at least the amount prescribed by Presidential Decree;
2. Its executive shall not fall under any of the following items. In such cases, items (g) and (h) shall apply to its representative director only:
 - (a) A minor, a person under adult guardianship, or a person under limited guardianship;
 - (b) A person that was declared bankrupt but has not been reinstated;
 - (c) A person in whose case five years have not passed since his/her imprisonment without labor or a heavier punishment, as declared by a court, was completely executed (including cases where it is deemed that execution has been completed) or exempted.;
 - (d) A person that is under the suspension of the execution of imprisonment without labor or a heavier punishment as declared by a court;
 - (e) A person in whose case five years have not passed since his/her punishment by a fine or a heavier punishment, as declared by a court for violating the Act on the Regulation of Conducting Fund-Raising Business without Permission or any other Acts and subordinate statutes related to finance

prescribed by Presidential Decree, was completely executed (including cases where it is deemed that execution has been completed) or exempted;

(f) A person that was an executive of an investment company in establishment of small and medium enterprise at the time the registration of the company was revoked by this Act and in whose case five years have not passed since the revocation of such registration (only applicable to a person that was directly responsible for occurrence of a reason of such revocation of registration or correspondingly responsible, or a person that was found unsuitable for affairs of investment in establishment of business, as a person prescribed respectively by Presidential Decree);

(g) A person that has failed to repay debts within a due date in commercial transactions, such as financial transactions, as a person prescribed by Presidential Decree;

(h) A large stockholder (referring to an investor prescribed by Presidential Decree; hereinafter the same shall apply in this Article) or an executive or employee of any other small and medium business start-up investment company;

(i) Where a reason of revocation under Article 43 arose before cancellation pursuant to Article 12, a person that was an executive at the time of the cancellation of registration (only applicable to a person that was directly responsible for a reason of revocation of registration under Article 43 or correspondingly responsible as a person prescribed by Presidential Decree) and was notified of such a reason and in whose case five years (seven years from the cancellation date of registration, where it exceeds seven years from the cancellation date of registration) have not passed from the date when such notification was received;

(j) A person in whose case five years have not passed since his/her dismissal or release from office under Article 42 (1) 1;

2-2. Its large stockholders shall have social credit as prescribed by Presidential Decree;

3. It shall have full-time specialized human resources and facilities meeting the standards prescribed by Presidential Decree;

4. It shall have the system preventing conflicts of interests between business start-up investment companies and investors, specific investors and other investors.

(3) Where a person that fails to meet the conditions required under paragraph (2) 2-2 becomes a large stockholder by newly acquiring stocks, he/she may not exercise his/her voting rights to the newly-acquired stocks. *<Newly Inserted by Act No. 12009, Aug. 6, 2013>*

(4) Where a person that fails to meet the conditions required under paragraph (2) 2-2 becomes a large stockholder by newly acquiring stocks, the Administrator of the Small and Medium Business Administration may direct him/her to dispose of the newly-acquired stocks within a period of up to six months. *<Newly Inserted by Act No. 12009, Aug. 6, 2013>*

Article 11 (Succession to Rights and Obligations)

(1) When a small and medium business start-up investment company transfers its business or is merged with another company, a transferee of the business or the corporation surviving such merger or the

corporation established as a consequence of the merger shall succeed to the status as a small and medium business start-up investment company under this Act: Provided, That the foregoing shall not apply where such transferee of the business, the corporation surviving such merger, or the corporation established as a consequence of the merger fails to meet the requirements prescribed in the subparagraphs of Article 10 (2).

(2) The person that succeeds to the status as a small and medium business start-up investment company under this Act shall report thereon to the Administrator of the Small and Medium Business Administration, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy, by no later than 30 days after the date of succession. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

Article 12 (Deletion of Registration upon Application)

(1) A small and medium business start-up investment company may, if it is impossible or difficult for the company to continue the business prescribed in the subparagraphs of Article 10 (1), file an application to have the registration deleted as prescribed by Ordinance of the Ministry of Trade, Industry and Energy.

<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

(2) The Administrator of the Small and Medium Business Administration shall, upon receipt of an application to have the registration deleted in accordance with paragraph (1), delete the registration without delay.

Article 13 (Publication of Registration, etc.)

The Administrator of the Small and Medium Business Administration shall, if a small and medium business start-up investment company falls under any of the following subparagraphs, publish such fact through the Official Gazette, and inform the general public thereof via a computer communication network, etc. without delay:

1. When it has completed the registration under Article 10 (1);
2. When its registration is deleted pursuant to Article 12 (2);
3. When its registration is revoked pursuant to Article 43 (1).

Article 14 (Public Disclosure of Small and Medium Business Start-Up Investment Companies)

(1) Each small and medium business start-up investment company shall make public disclosure of the following matters: <Amended by Act No. 12009, Aug. 6, 2013>

1. Matters concerning its organization and human resources;
2. Matters concerning finance and profits and losses;
3. Matters concerning organization and performance of small and medium business start-up cooperatives;
4. Matters concerning any business management improvement measures required under Article 42-2 (3) and concerning any suspension of business operations, correction orders, or warnings issued under Article 43 (5).

(2) Necessary matters for the timing and method of the public disclosure under paragraph (1) shall be prescribed by the Administrator of the Small and Medium Business Administration.

Article 15 (Restrictions on Activities of Small and Medium Business Start-Up Investment Companies)

(1) No small and medium business start-up investment company shall engage in any of the following activities: Provided, That the foregoing shall not apply where there is no likelihood of impeding the soundness in asset management of the small and medium business start-up investment company, as prescribed by Presidential Decree:

1. Investing in a company that engages in a type of business prescribed in the proviso to Article 3;
2. Investing in a company affiliated to an enterprise group subject to the limitations on mutual investments pursuant to Article 9 of the Monopoly Regulation and Fair Trade Act;
3. Acquiring or owning stocks of a financial institution specified by Presidential Decree;
4. Acquiring or owning any real property other than that for business purposes within a extent prescribed by Presidential Decree, such as a business incubator (hereinafter referred to as "real property for non-business purposes"): Provided, That the foregoing shall not apply where any real property for non-business purposes is acquired as a consequence of exercising its security right;
5. Undermining the purposes of its establishment, as prescribed by Presidential Decree.

(2) Any small and medium business start-up investment company shall, when it acquires any real property for non-business purposes as a consequence of exercising its security right in accordance with the proviso to paragraph (1) 4, dispose of such property within a period prescribed by Ordinance of the Ministry of Trade, Industry and Energy, which shall not exceed one year. <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>

Article 15-2 (Restrictions on Activities of Large Stockholders)

(1) No large stockholder of a small and medium business start-up investment company (including his/her related persons prescribed by Presidential Decree; hereinafter the same shall apply) shall engage in any of the following activities for the purpose of pursuing his/her own profits against the interests of the small and medium business start-up investment company:

1. Requiring the small and medium business start-up investment company to provide materials or information that is not disclosed outside of the company with intent to exercise undue influence over the company: Provided, That this shall not apply to the exercise of a right under Article 466 of the Commercial Act;
2. Exercising undue influence over the investment activity or other business management of the small and medium business start-up investment company in collusion with other stockholders under the condition of offering economic profits or other considerations;
3. Requiring the small and medium business start-up investment company to commit any illegal act;
4. Requiring the small and medium business start-up investment company to deal with the large stockholder or a third person on terms remarkably unfavorable to the company in interest rates, fees, security, etc. as compared with normal terms of dealings;
5. Other activities similar to those prescribed in subparagraphs 1 through 4, as prescribed by Presidential Decree.

(2) Where a large stockholder of a small and medium business start-up investment company is deemed to have violated paragraph (1), the Administrator of the Small and Medium Business Administration may require the small and medium business start-up investment company or large stockholder to submit necessary materials.

Article 16 (Mandatory Investment by Small and Medium Business Start-Up Investment Companies)

(1) Any small and medium business start-up investment company shall disburse at least a certain amount at the ratio prescribed by Presidential Decree, not exceeding 50 percent of its paid-in capital, for a business set forth in Article 10 (1) 1, 2, 2-2, 3 and 5, by no later than three years after its registration. In computing the amount disbursed for any business set forth in subparagraphs 1, 2, 2-2 and 5 of the same paragraph in such case, only the amount spent for any purpose specified by Ordinance of the Ministry of Trade, Industry and Energy including acquisition of newly issued stocks or unsecured convertible bonds shall be included therein: Provided, That the foregoing shall not apply where a small and medium business start-up investment company organizes and runs a small and medium business start-up investment cooperative with a scale of at least the standard prescribed by Presidential Decree. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 9889, Dec. 30, 2009; Act No. 11690, Mar. 23, 2013; Act No. 12009, Aug. 6, 2013>*

(2) Any small and medium business start-up investment company shall maintain the ratio of mandatory investment under paragraph (1) even after three years have passed since its registration and, if a small and medium business start-up investment company fails to maintain the ratio of mandatory investment under paragraph (1) due to any ground acceptable to the Administrator of the Small and Medium Business Administration, such as withdrawal of investment and business normalization, the Administrator of the Small and Medium Business Administration may grant such company a grace period of up to one year, within which to perform the obligation of making an investment. *<Amended by Act No. 12009, Aug. 6, 2013>*

(3) Notwithstanding paragraph (1), if a small and medium business start-up investment company acquires any of the business starter's stocks (limited to cases where the business starter acquired newly-issued stocks) held by an individual or a private investment association under Article 13 of the Act on Special Measures for the Promotion of Venture Businesses for at least three years, the amount of acquisition shall be included in an amount equivalent to the ratio of mandatory investment under paragraph (1). *<Newly Inserted by Act No. 12009, Aug. 6, 2013>*

Article 17 (Requirements for Overseas Investment by Small and Medium Business Start-Up Investment Companies)

(1) Any small and medium business start-up investment company that has disbursed an amount at least ten percent of its paid-in capital for any business prescribed in Article 10 (1) 1, 2, and 2-2 for any purpose specified by Ordinance of the Ministry of Trade, Industry and Energy in accordance with Article 16 (1) may make overseas investments in accordance with subparagraph 4 of the same paragraph within the limits of the amount disbursed for such business: Provided, That a small and medium business start-up investment company for which three years have elapsed since its registration may make overseas investment when it maintains the ratio of mandatory investment under Article 16 (1). *<Amended by Act No.*

8852, Feb. 29, 2008; Act No. 9889, Dec. 30, 2009; Act No. 11690, Mar. 23, 2013>

(2) The limit on the overseas investment under paragraph (1) shall be a ratio specified by Presidential Decree, not exceeding 40 percent of the company's paid-in capital.

Article 18 (Borrowing of Funds)

(1) A small and medium business start-up investment company may, if necessary for carrying on its business, borrow funds from the Government, Funds established by the Government, domestic or foreign financial institutions, foreign governments or international organizations.

(2) Each small and medium business start-up investment company may issue bonds within the limit of ten times its total capital and reserves for securing financial resources required for its business execution.

Article 19 (Reporting on Settlement of Accounts)

Each small and medium business start-up investment company shall submit a report on the settlement of accounts each fiscal year to the Administrator of the Small and Medium Business Administration, as prescribed by Presidential Decree.

Article 20 (Organization of Cooperative, etc.)

(1) When a small and medium business start-up investment company jointly invests with any persons who are not a small and medium business start-up investment company, to organize a small and medium business start-up investment cooperative, it shall register the cooperative with the Administrator of the Small and Medium Business Administration, as prescribed by Presidential Decree. The foregoing shall also apply to an amendment to any entries already registered.

(2) Each small and medium business start-up investment cooperative shall be comprised of not less than one member (hereinafter referred to as "executive member") with unlimited liability for the cooperative's obligations and members with limited liability for such obligations to the extent of their investments. In such cases, the executive member shall be a person falling under any of the following subparagraphs and one person among them shall be a small and medium business start-up investment company: <Amended by Act No. 9889, Dec. 30, 2009>

1. A person falling under the subparagraphs of Article 4-3 (1) of the Act on Special Measures for the Promotion of Venture Businesses;
2. A fund managing entity under Article 8 (1) of the National Finance Act who manages or operates funds listed in attached Table 2 of the same Act;
3. A juristic person who manages a mutual-aid business pursuant to Acts;
4. Other person prescribed by Presidential Decree.

(3) Notwithstanding the former part of paragraph (2), an executive member shall be one person in cases where a public equity investment cooperative of business start-ups under Article 47-2 (1) is established.

(4) Each member may invest the full amount of its investment in a lump sum or in installment, as stipulated by the by-laws of the cooperative.

(5) Necessary matters concerning the requirements for registration, management, etc. of a small and medium business start-up investment cooperative, including the amount of funds to be invested, number of

members, and duration of existence shall be prescribed by Presidential Decree.

Article 21 (Execution of Business Affairs, etc.)

(1) The business affairs of each small and medium business start-up investment cooperative shall be conducted by its executive member.

(2) The executive member owes a duty of care as a good administrator in executing the business affairs under paragraph (1). In such cases, no executive member shall use any asset of a small and medium business start-up investment cooperative for its own or a third party's benefits.

(3) Any small and medium business start-up investment cooperative shall, by no later than three years after its registration, disburse at least a certain amount at the ratio prescribed by Presidential Decree, not exceeding 50 percent of its invested funds, for any business under Article 10 (1) 1, 2, 2-2 and 5 for purposes specified by Ordinance of the Ministry of Trade, Industry and Energy pursuant to Article 16 (1) and (3): Provided, That the Administrator of the Small and Medium Business Administration may grant a grace period of up to one year within which to perform the obligation of making an investment, if any small and medium business start-up investment cooperative fails to achieve the ratio prescribed by Presidential Decree by no later than three years after its registration due to withdrawal of the invested funds or any other reason acceptable to the Administrator of the Small and Medium Business Administration. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 9379, Jan. 30, 2009; Act No. 9889, Dec. 30, 2009; Act No. 11690, Mar. 23, 2013; Act No. 12009, Aug. 6, 2013>*

(4) No executive member shall borrow any funds, make any guarantee for payment, or offer any assets as security in executing the business affairs of the small and medium business start-up investment cooperative.

(5) Article 15 shall apply mutatis mutandis to the executive member's execution of business affairs of the small and medium business start-up investment cooperative. In such cases, a "small and medium business start-up investment company" shall be construed as the "small and medium business start-up investment cooperative".

(6) Article 17 shall apply mutatis mutandis to overseas investments made by small and medium business start-up investment cooperatives. In such cases, a "small and medium business start-up investment company" shall be construed as the "small and medium business start-up investment cooperative", and "paid-in capital" construed as "invested funds".

Article 22 (Management and Operation of Assets of Small and Medium Business Start-Up Investment Cooperatives)

(1) An executive member shall manage the assets of the small and medium business start-up investment cooperative, as follows: *<Amended by Act No. 8635, Aug. 3, 2007>*

1. It shall entrust a trust business entity under the Financial Investment Services and Capital Markets Act with the safekeeping of the assets of the small and medium business start-up investment cooperative;

2. It shall obtain approval from the general meeting of members in cases where it changes the trust business entity.

(2) A trustee under paragraph (1) shall conduct the following business:

1. Safekeeping and management of assets of the small and medium business start-up investment cooperative;
2. Acquisition and disposal of assets under the instructions of the executive member to manage assets of the small and medium business start-up investment cooperative.

(3) Where the executive member acquires stocks of a corporation listed in the securities market under Article 8-2 (4) 1 of the Financial Investment Services and Capital Markets Act, as prescribed by the Administrator of the Small and Medium Business Administration, as part of the assets of the small and medium business start-up investment cooperative, it shall not invest the amount exceeding 20/100 of the total amount of investment. *<Amended by Act No. 8635, Aug. 3, 2007; Act No. 9379, Jan. 30, 2009; Act No. 11845, May 28, 2013; Act No. 12310, Jan. 21, 2014>*

Article 23 (Reporting on Settlement of Accounts)

Each executive member under Article 21 (1) shall submit a report on the settlement of accounts to the Administrator of the Small and Medium Business Administration by no later than three months after the end of each business year of the small and medium business start-up investment cooperative, as prescribed by Presidential Decree.

Article 24 (Executive Member's Withdrawal)

No executive member may withdraw from the membership of small and medium business start-up investment cooperative, unless any of the following causes and events occurs:

1. When the registration of the small and medium business start-up investment company is revoked;
2. When the small and medium business start-up investment company becomes bankrupt;
3. When all members of the small and medium business start-up investment cooperative give unanimous consent for withdrawal.

Article 25 (Dissolution)

(1) A small and medium business start-up investment cooperative shall be dissolved when any of the following causes or events occurs: *<Amended by Act No. 9889, Dec. 30, 2009>*

1. Expiration of its duration of existence;
2. Withdrawal of membership by all members with limited liability;
3. Withdrawal of membership by all the small and medium business start-up investment companies, acting as executive members;
4. De-registration of all the small and medium business start-up investment companies, acting as executive members;
5. Any other cause or event prescribed by Presidential Decree.

(2) When any cause or event set forth in paragraph (1) 3 and 4 arises to a small and medium business start-up investment cooperative, it may admit a replacement of the small and medium business start-up

investment company, acting as an executive member, with the unanimous consent by all members with limited liability within three months after such cause or event arises, as prescribed by Presidential Decree. *<Amended by Act No. 9889, Dec. 30, 2009>*

(3) When a small and medium business start-up investment cooperative is dissolved, its executive member shall act as the liquidator: Provided, That any person other than the executive member may be appointed as the liquidator as stipulated in the by-laws of the cooperative.

(4) Any debts in excess of the amount of the invested funds, if any, at the time a small and medium business start-up investment cooperative is dissolved, shall be fully repaid by the executive member.

Article 26 (Reporting on Results of Liquidation and De-Registration)

(1) Upon completion of affairs pertaining to liquidation, a liquidator under Article 25 (3) shall submit a report on the results thereof, without delay, to the Administrator of the Small and Medium Business Administration, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 11690, Mar. 23, 2013>*

(2) Upon receipt of a report under paragraph (1), the Administrator of the Small and Medium Business Administration shall de-register the small and medium business start-up investment cooperative.

Article 27 (Protection of Cooperative's Property)

Notwithstanding Articles 704 and 712 of the Civil Act, a person who extends credit to a member of a small and medium business start-up investment cooperative may exercise his/her rights to claim assets within the limit of the amount that such member has invested in the small and medium business start-up investment cooperative, when exercising such rights against the member.

Article 28 (Appropriation of Earnings)

Each small and medium business start-up investment cooperative may pay the small and medium business start-up investment company, acting as an executive member, performance-based remuneration according to the return on investment, as stipulated by its by-laws, and necessary matters concerning the formula for computing the return on investment for the payment of such performance-based remuneration shall be prescribed by Presidential Decree.

Article 29 (Public Disclosure of Cooperative)

The executive member shall keep and make available the following documents at its office for public inspection:

1. By-laws of the small and medium business start-up investment cooperative;
2. Reports on the settlement of accounts for each fiscal year;
3. Other documents concerning the management of the small and medium business start-up investment cooperative in accordance with the public notice given by the Administrator of the Small and Medium Business Administration.

Article 30 (Mutatis Mutandis Application of Civil Act)

Except as otherwise provided for in this Act, the provisions of the Civil Act governing cooperatives shall apply mutatis mutandis to small and medium business start-up investment cooperatives.

Article 31 (Registration of Small and Medium Business Consulting Companies)

(1) A company that engages in any the following business activities shall, if it intends to receive support under this Act, register itself as a small and medium business consulting company with the Administrator of the Small and Medium Business Administration, as prescribed by Ordinance of the Ministry of Trade, Industry and Energy. The foregoing shall also apply to any changes in important matters already registered by the company, as specified by Ordinance of the Ministry of Trade, Industry and Energy, including the name and address of the company: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 10354, Jun. 8, 2010; Act No. 11690, Mar. 23, 2013>

1. Assessment of business feasibilities of small or medium businesses;
 2. Providing services for the improvement of business management and technology of small or medium businesses;
 3. Referral of business opportunities to small or medium businesses;
 4. Providing advices on and acting as a proxy in supplying and operating funds for small or medium businesses;
 5. Processing for business start-ups on behalf of others;
 6. Providing advices on establishment and operation of a business incubator center;
 7. Other business activities incidental to those prescribed in subparagraphs 1 through 6, as specified by the Administrator of the Small and Medium Business Administration.
- (2) Any small and medium business consulting company under paragraph (1) shall satisfy all the following requirements: <Amended by Act No. 12310, Jan. 21, 2014>

1. It shall be a company established under the Commercial Act with the paid-in capital at least the standard prescribed by Presidential Decree;
2. None of its officers shall fall under any of the followings:
 - (a) A minor, a person under adult guardianship, or a person under limited guardianship;
 - (b) A person that was declared bankrupt, but not yet reinstated;
 - (c) A person for whom three years have not elapsed since a sentence of imprisonment without prison labor or heavier punishment imposed upon him/her has been fully executed (or deemed to have been fully executed) or exempted;
 - (d) A person that is still subject to a suspension period after he/she was sentenced to a suspension of execution of imprisonment without prison labor or heavier punishment;
 - (e) A person that fails to pay back any of his/her debts incurred in conducting financial or other commercial transactions within an agreed period, as prescribed by Presidential Decree;
3. It shall have professionals and facilities in compliance with the standards prescribed by Presidential Decree.

Article 32 (Subsidization of Service Fees)

When a small and medium business consulting company renders its service to business starters, the Administrator of the Small and Medium Business Administration may grant subsidies for part of the

service fees, as prescribed by Presidential Decree.

Article 33 (Approval for Business Plans)

(1) A person that starts up a business shall prepare a business plan, as prescribed by Presidential Decree, and obtain approval therefor from the head of a Si/Gun/Gu (only referring to the head of an autonomous Gu; hereinafter the same shall apply). The same shall also apply where he/she intends to change a business operator, the size of the factory site, or any other important matter prescribed by Presidential Decree.

<Amended by Act No. 12009, Aug. 6, 2013>

(2) In granting approval for a business plan pursuant to paragraph (1), the head of a Si/Gun/Gu shall ensure that the building area of the relevant factory conforms to the standard factory area ratio prescribed in Article 8 of the Industrial Cluster Development and Factory Establishment Act.

(3) Upon receipt of an application for approval under paragraph (1), the head of a Si/Gun/Gu shall issue a notice as to whether the approval is granted to the applicant, within 20 days after he/she receives such application. In such cases, it shall be deemed that the approval is granted on the day immediately following the expiration of 20 days, if no notice is issued to the applicant as to whether the approval is granted.

(4) The Administrator of the Small and Medium Business Administration may prepare and publicly notify guidelines necessary for dealing with affairs regarding approval for the business plan under paragraph (1) to simplify the process of a business start-up.

Article 34 (Preliminary Consultation)

(1) A business starter may request the head of a Si/Gun/Gu to consult in advance on the possibility of approval of a business plan, etc. before filing an application for approval of the business plan in accordance with Article 33 (1).

(2) Necessary matters concerning the procedure for preliminary consultation, etc. under paragraph (1) shall be prescribed by Presidential Decree.

Article 35 (Relationship with other Acts)

(1) In granting approval for a business plan pursuant to Article 33 (1), it shall be deemed that permission, authorization, a license, approval, designation, a decision, reporting, release, or disuse (hereinafter referred to as "permission, etc." in this Article) as prescribed in the following subparagraphs has been obtained or completed in connection with matters on which the head of the relevant Si/Gun/Gu has discussed with the heads of other relevant administrative agencies pursuant to paragraph (4): *<Amended by Act No. 8819, Dec. 27, 2007; Act No. 8976, Mar. 21, 2008; Act No. 9401, Jan. 30, 2009; Act No. 9758, Jun. 9, 2009; Act No. 10272, Apr. 15, 2010; Act No. 10331, May 31, 2010; Act No. 10354, Jun. 8, 2010; Act No. 10599, Apr. 14, 2011; Act No. 10892, Jul. 21, 2011; Act No. 12248, Jan. 14, 2014>*

1. Approval for the establishment of a factory, etc. under Article 13 (1) of the Industrial Cluster Development and Factory Establishment Act;
2. Permission for timbering, etc. under Article 14 of the Work against Land Erosion or Collapse Act or cancellation of the designation of an erosion control area under Article 20 of the same Act;

3. Permission for occupancy and use of public waters under Article 8 of the Public Waters Management and Reclamation Act, authorization for an implementation plan for occupancy or use of public waters under Article 17 of the same Act, license for reclamation of public waters under Article 28 of the same Act;
 4. Deleted; *<by Act No. 10272, Apr. 15, 2010>*
 5. Permission for river construction works under Article 30 of the River Act or permission for occupancy under Article 33;
 6. Permission for or reporting on conversion of a mountainous district under Articles 14 and 15 of the Management of Mountainous Districts Act, permission for or reporting on temporary use of a mountainous district under Article 15-2 of the same Act, and approval for alteration of the purpose of use of a parcel of land converted from a mountainous district under Article 21 of the same Act, or permission for or reporting on timbering standing trees, etc. under Article 36 (1) and (4) of the Creation and Management of Forest Resources Act;
 7. Permission for opening a private road under Article 4 of the Private Road Act;
 8. Permission for development activities under Article 56 (1) of the National Land Planning and Utilization Act, designation of an executor of a City/Gun planning facility project under Article 86 of the same Act, or preparation of and authorization for an implementation plan under Article 88 of the same Act, or permission for a land conveyance contract under Article 118 of the same Act;
 9. Permission for conversion of farmland under Article 34 (1) of the Farmland Act, reporting on conversion of farmland under Article 35 (1) of the same Act, or approval for change of purposes of use under Article 40 (1) of the same Act;
 10. Permission for or report on conversion of grassland under Article 23 of the Grassland Act;
 11. Permission for use of and profits from any State-owned property under Article 30 of the State Properties Act or disuse of a road, river system, ditch or embankment under Article 40 of the same Act;
 12. Permission for occupancy and use of a road under Article 61 (1) of the Road Act;
 13. Consultation on small environment impact assessment under the Environmental Impact Assessment Act;
 14. Approval for use of an agricultural infrastructure for any purpose other than originally intended purposes under the main body of Article 23 (1) of the Rearrangement of Agricultural and Fishing Villages Act;
 15. Permission for relocation of graves installed on other person's land under Article 27 (1) of the Funeral Services, etc. Act;
 16. Permission for use of and profits from any administrative property under Article 20 (1) of the Public Property and Commodity Management Act or disuse of any administrative property under Article 11 of the same Act.
- (2) In granting a building permit under Article 11 of the Building Act for a factory for which a business plan has been approved pursuant to Article 33 (1), it shall be deemed that permission, authorization,

approval, consent, examination or reporting as prescribed in the following subparagraphs (hereinafter referred to as "approval, etc." in this Article) has been obtained or completed in connection with matters on which the head of the relevant Si/Gun/Gu has consulted with the heads of other administrative agencies in accordance with paragraph (4): <Amended by Act No. 8466, May 17, 2007; Act Nos. 8974 & 8976, Mar. 21, 2008; Act No. 9770, Jun. 9, 2009; Act No. 10354, Jun. 8, 2010; Act No. 11037, Aug. 4, 2011; Act No. 11483, Aug. 13, 2012; Act No. 12246, Jan. 14, 2014; Act No. 12248, Jan. 14, 2014>

1. Permission for occupancy and use of a road under Article 61 (1) of the Road Act;
2. Permission for occupancy and use under Article 24 of the Sewerage Act or reporting on installation of a drainage system under Article 27 (3) and (4) of the same Act;
3. Reporting on installation of a private sewage treatment facility under Articles 34 (2) of the Sewerage Act;
4. Consent to a building permit, etc. under Article 7 (1) of the Installation, Maintenance, and Safety Control of Fire-Fighting System Act, reporting on construction works for a fire protection system under Article 13 (1) of the Fire-Fighting System Installation Business Act, or permission to build a workshop, etc. under Article 6 (1) of the Safety Control of Dangerous Substances Act;
5. Permission for installation or report on installation of a discharging system under Article 23 of the Clean Air Conservation Act, Article 33 of the Water Quality and Ecosystem Conservation Act, Article 8 of the Noise and Vibration Control Act, and Article 11 of the Act on the Management and Use of Livestock Waste;
6. Approval for or report on installation of waste treatment facilities under Article 29 (2) of the Wastes Control Act;
7. Authorization for installation of an exclusive water supply system under Articles 52 and 54 of the Water Supply and Waterworks Installation Act;
8. Authorization for or report on a construction plan for a private electric facility and equipment under Article 62 of the Electric Utility Act;
9. Permission for installation of a temporary depot for explosives under Article 25 (1) of the Control of Firearms, Swords, Explosives, etc. Act;
10. A building permit under Article 11 (1) of the Building Act, reporting on a building work under Article 14 (1) of the same Act, permission for or report on construction of a temporary structure under Article 20 (1) and (3) of the same Act, or reporting on erection of a structure under Article 83 (1) of the same Act;
11. Report on installation of a specific facility subject to the control of soil contamination under Article 12 of the Soil Environment Conservation Act;
12. Permission for the manufacturing business of gas appliances under Article 3 of the Safety Control and Business Regulation of Liquefied Petroleum Gas Act or permission for installation of storage facilities for liquefied petroleum gas under Article 6 of the same Act;

13. A permit to manufacture high-pressure gas and a permit to install storage facilities for high-pressure gas under Article 4 of the High-Pressure Gas Safety Control Act, registration of manufacturing of containers, freezers and specific equipment under Article 5 (1) of the same Act, or report on the use of specific high-pressure gas under Article 20 (1) of the same Act;

14. Examination of a plan for prevention of harm and danger under Article 48 (4) of Occupational Safety and Health Act and a process safety report under Article 49-2 (3) of the same Act.

(3) In granting approval for the use of a building pursuant to Article 22 of the Building Act for a factory built under a business plan approved pursuant to Article 33 (1), it shall be deemed that an inspection, reporting, consent, or application (hereinafter referred to as "inspection or the like") as prescribed in the following subparagraphs has been completed or obtained in connection with matters on which the head of the competent Si/Gun/Gu has consulted with the heads of other administrative agencies pursuant to paragraph (4): *<Amended by Act No. 8466, May 17, 2007; Act No. 8974, Mar. 21, 2008; Act Nos. 9770 & 9774, Jun. 9, 2009; Act No. 10354, Jun. 8, 2010; Act No. 11037, Aug. 4, 2011>*

1. Final inspection under Article 37 of the Sewerage Act;

2. Consent to the approval for use under Article 7 (1) of the Installation, Maintenance, and Safety Control of Fire-Fighting System Act, final inspection of construction works for a fire-fighting system under Article 14 of the Fire-Fighting System Installation Business Act, or final inspection of construction works for workshops, etc. under Article 9 of the Safety Control of Dangerous Substances Act;

3. Report on the commencement of services of waste treatment facilities under Article 29 (4) of the Wastes Control Act;

4. Report on the commencement of operation of a discharging system, etc. under Article 30 (1) of the Clean Air Conservation Act and Article 37 of the Water Quality and Ecosystem Conservation Act;

5. Final inspection under Article 43 of the Control of Firearms, Swords, Explosives, etc. Act;

6. Conditional license for a business of manufacturing drinking spring-water under Article 23 (1) of the Management of Drinking Water Act;

7. Pre-use inspection of a private electric system under Article 63 of the Electric Utility Act;

8. Final inspection of installation of storage facilities and manufacturing facilities for gas appliances under Article 18 (2) of the Safety Control and Business Regulation of Liquefied Petroleum Gas Act;

9. Final inspection of installation works for manufacturing and storage facilities of high-pressure gas and the final inspection of installation works for manufacturing facilities of containers, etc. under the provisions of Article 16 (3) of the High-Pressure Gas Safety Control Act, and the final inspection of specific high-pressure gas facilities under Article 20 of the same Act;

10. Final inspection under Articles 62 (1) and 98 (2) of the National Land Planning and Utilization Act;

11. Application for change of land description under Article 64 (2) of the Act on Land Survey, Waterway Survey and Cadastral Records.

(4) If any matter prescribed in paragraphs (1) through (3) among matters involved in granting approval for a business plan pursuant to Article 33 or a building permit and approval for use under Articles 11 (1) and 22 (1) of the Building Act falls within the authority of any other administrative agency, the head of the relevant Si/Gun/Gu shall consult in advance with the head of an administrative agency, and the head of the administrative agency shall, upon receipt of a request for consultation, present his/her opinion within a period prescribed by Presidential Decree. In such cases, it shall be deemed that the head of the administrative agency has no objection unless he/she presents his/her opinion within the prescribed period.
<Amended by Act No. 8974, Mar. 21, 2008>

Article 36 (Consultation at Time of Enactment or Amendment of Statute)

The head of the relevant administrative agency shall, when he/she intends to enact or amend any statute that governs any matter concerning approval of a business plan under Article 33, a building permit under Article 11 (1) of the Building Act for a business starter's factory, or approval for use under Article 22 (1) of the said Act, consult in advance with the Administrator of the Small and Medium Business Administration. <Amended by Act No. 8974, Mar. 21, 2008>

Article 37 (Revocation, etc. of Approval for Business Plans)

(1) If any person that has obtained approval for his/her business plan falls under any of the following subparagraphs, the head of a Si/Gun/Gu may revoke such approval for the business plan and the building permit for a factory involved or issue an order to reinstate the relevant land to its original state: <Amended by Act No. 12009, Aug. 6, 2013>

1. If such person fails to commence construction works for the factory on and after the date of approval for the business plan until expiration of a period prescribed by Presidential Decree, or suspends construction works for a period prescribed by Presidential Decree or longer after commencement of such works for the factory;
 2. If such person transfers to a third party the land for the site of the factory for which the business plan was approved, before reporting the completion of factory establishment, etc. under Article 15 of the Industrial Cluster Development and Factory Establishment Act: Provided, That this shall not apply where he/she transfers the land to the business starter;
 3. If such person leases to a third party the land for the site of the factory for which the business plan was approved or uses the land for any purpose other than that for the factory;
 4. If such person fails to complete construction works for the factory on and after the date when approval for the business plan is granted until expiration of the period prescribed by Presidential Decree.
- (2) If any person fails to restore the land to its original state, in violation of an order of restoration issued pursuant to paragraph (1), the head of a Si/Gun/Gu may take measures to reinstate it to the original state in accordance with the practices of vicarious execution.
- (3) The provisions of the Administrative Vicarious Execution Act shall apply to procedures for the execution on behalf of others under paragraph (2).

(4) The head of a Si/Gun/Gu shall hold a hearing whenever he/she intends to revoke the approval for a business plan pursuant to paragraph (1).

Article 38 (Establishment of Business Start-up Ombudsman Office)

(1) The Government may establish an office responsible for receiving and processing civil petitions filed in connection with business start-up (hereinafter referred to as "small and medium business start-up ombudsman office") in each Special Metropolitan City, Metropolitan City, Special Self-Governing City, Do, Special Self-Governing Province or Si/Gun/Gu for the convenience of civil petitioners. <Amended by Act No. 12009, Aug. 6, 2013>

(2) Necessary matters for the establishment and operation of small and medium business start-up ombudsman offices shall be prescribed by Presidential Decree.

Article 39 (Establishment of Organizations Exclusively Dedicated to Promotion of Business Start-Ups)

(1) The Administrator of the Small and Medium Business Administration may establish an organization exclusively dedicated to the affairs pertaining to the promotion of business start-ups (hereafter referred to as "specialized organization" in this Article).

(2) Necessary matters concerning the establishment and operation, etc. of the specialized organization under paragraph (1) shall be prescribed by Presidential Decree.

Article 39-2 (Contribution, etc. for Youth Entrepreneurial Spirit Incorporated Foundation)

The Administrator of the Small and Medium Business Administration may contribute or assist in the range of budget for youth and prep entrepreneur, etc. as a non-profit corporation obtained establishment permission by the Administrator of the Small and Medium Business Administration under Article 32 of the Civil Act whose main purpose of business is in any of following, to foster challenging spirit, creativity and innovation ability, etc. (hereafter referred to as "entrepreneurial spirit" in this Article):

1. Plan, development and research for business activation of entrepreneurial spirit;
2. Research on the actual conditions, construction of statistics and operation of entrepreneurial spirit;
3. Development and dissemination of education courses of entrepreneurial spirit, management and operation support of education business for youths and prep entrepreneurs;
4. Business of creating an atmosphere to spread entrepreneurial spirit such as discovery and spread of example model of entrepreneurial spirit;
5. Discovery and dissolution of inhibition factors of entrepreneurial spirit, and expansion of conditions for re-foundation;
6. Other businesses and entrusted by the Administrator of the Small and Medium Business Administration to foster and spread entrepreneurial spirit.

Article 39-3 (Exemption from Charges and Fees)

(1) A person who starts up a small or medium-sized business in order to engage in the manufacturing business under the Korea Standard Industry Code, which is prepared and publicly notified by the Commissioner of the Korea National Statistical Office pursuant to Article 22 (1) of the Statistics Act, shall be exempted from the charges and fees enumerated in the following subparagraphs for three years from

the commencement date of the business: <Amended by Act No. 10354, Jun. 8, 2010>

1. Charges under Article 138 of the Local Autonomy Act;
 2. Apportioned contributory charges for farmland conservation under Article 38 (1) of the Farmland Act;
 3. Contributory charges for development of substitute grasslands under Article 23 (6) of the Grassland Act;
 4. Charges under Article 51 (1) of the Electric Utility Act;
 5. Basic charges under Article 35 (1) 2 of the Clean Air Conservation Act (applicable only to the business premises from which the total quantity of air pollutants emitted a year is less than 10 tons);
 6. Basic discharging charges under Article 41 (1) 1 of the Water Quality and Ecosystem Conservation Act (applicable only to the business premises from which wastewater discharged a day is less than 200 cubic meters);
 7. Waste charges under Article 12 (2) of the Act on the Promotion of Saving and Recycling of Resources (applicable only to the manufacturers whose annual sales turnover is less than two billion won);
 8. Water use fees under Article 19 (1) of the Act on the Improvement of Water Quality and Support for Residents of the Riverhead of the Han River System;
 9. Water use fees under Article 30 (1) of the Act on Water Management and Resident Support in the Geum River Basin;
 10. Water use fees under Article 32 (1) of the Act on Water Management and Resident Support in the Nakdong River Basin;
 11. Water use fees under Article 30 (1) of the Act on Water Management and Resident Support in the Yeongsan and Seomjin River Basins.
- (2) Matters necessary for the procedures for and methods of exemption from charges and fees under paragraph (1) shall be prescribed by Presidential Decree. <Newly Inserted by Act No. 10354, Jun. 8, 2010> [This Article Newly Inserted by Act No. 8606, Aug. 3, 2007] <<Period of Validity: Aug. 2, 2012>>

Article 39-4 (Special Treatment in Registration of Factory for Business Start-up by Separation of Business)

Where a small and medium enterprise, which starts its business by separating a part of business of a domestic corporation under subparagraph 1 of Article 1 of the Corporate Tax Act (hereafter referred to as "domestic corporation" in this Article), meets all the requirements of each of the following subparagraphs, a business registration certificate issued under Article 5 of the Value-Added Tax Act shall be deemed as a document certifying registration of a factory under Article 16 of the Industrial Cluster Development and Factory Establishment Act for two years from the date of business commencement:

1. The person who has been a director or employee of a domestic corporation shall be the representative, the largest shareholder or the largest investor;

2. The contracts with the domestic corporation for the separation of business and joint use of all or a part of a factory of the relevant domestic corporation shall be concluded in writing.

Article 39-5 (Installation and Operation of Support System for Telecommuting Business Start-Ups)

(1) The Administrator of the Small and Medium Business Administration may establish and operate a system that can establish an enterprise through the information and communications network (hereafter referred to as "support system for telecommuting business start-ups" in this Article) under subparagraph 10 of Article 2 of the Electronic Government Act.

(2) Central administrative agencies concerned and relevant institutions shall provide cooperation such as rapidly processing of the related affairs under their jurisdiction, etc. so that the procedures for business start-ups through the support system for telecommuting business start-ups can be progressed smoothly.

(3) The Administrator of the Small and Medium Business Administration may subsidize all or part of the expenses that occurs to the central administrative agencies concerned and relevant institutions for operation of individual systems that are connected with the support system for telecommuting business start-ups within the budgetary limit.

(4) Matters concerning the procedures and methods necessary for installing and operating the support system for telecommuting business start-ups other than those provided for in paragraphs (2) and (3) shall be prescribed by Presidential Decree.

Article 40 (Reporting and Inspection)

(1) The Administrator of the Small and Medium Business Administration may, if considered necessary, require a small and medium business start-up investment company, the executive member of a small and medium business start-up investment cooperative, a small and medium business consulting company, the operator of a business incubator to submit a report on its business management status, as prescribed by Presidential Decree, and may also assign public officials under his/her control to have access to the office or business premises of a small and medium business start-up investment company or a small and medium business start-up investment cooperative to inspect its account books, documents, etc. as prescribed by Presidential Decree, if there is any ground set forth in the following subparagraphs:

1. If necessary to check whether the small and medium business start-up investment company continues to fulfill the requirements for registration under Article 10 (2);
2. If necessary to check whether the small and medium business start-up investment company violates any restriction on its activities under Article 15;
3. If necessary to check whether the small and medium business start-up investment company performs its investment obligation in accordance with Article 16;
4. If necessary to check whether the small and medium business start-up investment company satisfies the requirements for overseas investment under Article 17;
5. If necessary to check whether the executive member has acted in violation of Article 21 and fulfills its investment obligation;

6. Deleted; <by Act No. 9584, Apr. 1, 2009>

7. If there are any grounds similar to those set forth in subparagraphs 1 through 6, as prescribed by Presidential Decree.

(2) Whenever an inspection is conducted pursuant to paragraph (1), the inspection plan containing the date, time, purpose, details, etc. of the inspection shall be notified to the person who is to receive the inspection by no later than seven days before the date of inspection: Provided, That the foregoing shall not apply where it is urgently required or it is considered impossible to achieve the purpose of the inspection otherwise due to anticipated destruction of evidence, etc.

(3) Each public official who has access for inspection pursuant to paragraph (1) shall carry identification showing his/her authority to present to the person concerned, and shall deliver a document stating his/her name, time and purpose of access, etc. to the relevant person.

Article 41 Deleted. <by Act No. 9584, Apr. 1, 2009>

Article 42 (Disciplinary Measures against Officers and Employees)

(1) If any small and medium business start-up investment company or any executive member falls under any subparagraph of Article 43 (1) or (2) (except subparagraph 1) and it is deemed likely to undermine the sound management of the small and medium business start-up investment company or the relevant small and medium business start-up investment cooperative, the Administrator of the Small and Medium Business Administration may demand the issuing of a reprimand to the relevant officer or employee of the small and medium business start-up investment company as follows: <Amended by Act No. 12009, Aug. 6, 2013>

1. Dismissal or release from office;
2. Suspension of performing duties for a period of up to six months;
3. Reduction of salary;
4. Warning.

(2) Any measure under paragraph (1) may be imposed concurrently with any measure under Article 43 (5). <Amended by Act No. 12009, Aug. 6, 2013>

(3) The Administrator of the Small and Medium Business Administration may determine and publicly notify matters necessary for the standards, procedures, etc. for measures under each of the subparagraphs of paragraph (1). <Newly Inserted by Act No. 12009, Aug. 6, 2013>

Article 42-2 (Standards, etc. for Soundness of Business Management)

(1) Any small and medium business start-up investment company shall meet the standards for soundness of business management prescribed by Presidential Decree.

(2) The Administrator of the Small and Medium Business Administration may evaluate the business operations of small and medium business start-up investment companies to secure the soundness of business management of those companies.

(3) If it is deemed that a small and medium business start-up investment company fails to meet the standards under paragraph (1) or is not likely to maintain the soundness of business management, based on

the results of evaluating the business operations under paragraph (2), the Administrator of the Small and Medium Business Administration may require the small and medium business start-up investment company to take necessary measures for improving its business management, such as increasing its equity capital or placing limitations on the distribution of dividends.

Article 43 (Revocation of Registration, etc.)

(1) If a small and medium business start-up investment company falls under any of the following subparagraphs, the Administrator of the Small and Medium Business Administration may revoke its registration or suspend support under this Act: Provided, That if it falls under subparagraph 1, he/she shall revoke such registration: <Amended by Act No. 8635, Aug. 3, 2007; Act No. 12009, Aug. 6, 2013>

1. When it has made a registration by deceit or other unjust means;
2. When it has failed to meet the requirements for registration under Article 10 (2): Provided, That this shall not apply where an executive falls under any of the items of subparagraph 2 of the same paragraph (items (g) and (h) of the same subparagraph shall be applicable to the representative director only), and it appoints another person as executive in place of such executive within three months;
3. When it has discontinued an investment under Article 10 (1) 1, 2, 2-2 or 5 for any purpose specified by Ordinance of the Ministry of Trade, Industry and Energy under Article 16 (1) for at least one year without any justifiable ground: Provided, That the same shall not apply where it has met all the requirements prescribed by Presidential Decree including the mandatory investment under Article 16 (1);
4. When conduct of business under Article 10 (1) has become difficult due to a reason attributable to the company;
5. When it has violated the duty of restriction on acts under Article 15 (1) or violated the duty of disposal of non-business purpose real property under paragraph (2) of the same Article;
6. When its percentage of investment does not meet the percentage requirement under Article 16;
7. When it has made an overseas investment, in violation of Article 17;
8. When an executive member of the small and medium business start-up investment cooperative has used any assets of the investment cooperative for his/her own benefit or benefit of the third party in violation of Article 21 (2);
9. When it has violated Article 3 of the Act on the Regulation of Conducting Fund-raising Business without Permission;
10. When it has failed to meet the requirements for reprimand under Article 42 (1) or for measures under Article 42-2 (3) or to follow a measure imposed under paragraph (5) below;
11. When it has violated Article 15 that is applied mutatis mutandis pursuant to Article 21 (4) or (5) as an executive member of the small and medium business start-up investment cooperative or has violated Article 4-4 (2) of the Act on Special Measures for the Promotion of Venture Businesses as an executive member of the Korea Venture Investment Cooperative under Article 4-3 (2) of the same Act (in cases of an executive member of public equity investment cooperative of establishment of business under Article

47-2 (1), including violation of the Financial Investment Services and Capital Markets Act, or violation of orders or disposition under the same Act).

(2) If the small and medium business start-up investment cooperative falls under any of the following subparagraphs, the Administrator of the Small and Medium Business Administration may revoke its registration or suspend support under this Act: Provided, That if it falls under subparagraph 1, the registration shall be revoked: <Amended by Act No. 9889, Dec. 30, 2009>

1. When it has made a registration by deceit or other unjust means;
2. When it has failed to meet the requirements for registration under Article 20 (5);
3. When it has violated the provisions of Article 21 (3) through (6);
4. When the registration of a small and medium business start-up investment company, acting as an executive member, has been revoked or cancelled;
5. When it has violated Article 22 (1) and (3);
6. Deleted. <by Act No. 8606, Aug. 3, 2007>

(3) If any small and medium business consulting company falls under any of the following subparagraphs, the Administrator of the Small and Medium Business Administration may revoke its registration or suspend support under this Act: Provided, That if it falls under subparagraph 1, the registration shall be revoked:

1. When it has made a registration by deceit or other unjust means;
2. When it has failed to meet the requirements for registration under Article 31 (2): Provided, That this shall not apply where an executive falls under any of the items of subparagraph 2 of the same paragraph, and it appoints another person as an executive in place of such executive within six months;
3. When conduct of business under Article 31 (1) has become difficult due to a reason attributable to the company;
5. Deleted. <by Act No. 8606, Aug. 3, 2007>

(4) If an operator of a business incubator falls under any of the following subparagraphs, the Administrator of the Small and Medium Business Administration may revoke its designation as an operator or suspend support under this Act: Provided, That if it falls under subparagraph 1, the designation shall be revoked: <Amended by Act No. 8852, Feb. 29, 2008; Act No. 11483, Aug. 13, 2012; Act No. 11690, Mar. 23, 2013; Act No. 12009, Aug. 6, 2013>

1. When it has been designated by deceit or other unjust means;
2. When it has used funds given for other purposes;
3. When it has used the facilities and premises of the business incubator for the purposes other than support for establishment of small and medium business;
4. When the actually executed operation of the business incubator has failed to meet the standards prescribed by Ordinance of the Ministry of Trade, Industry and Energy;
5. When it has failed to meet the requirements for designation under Article 6 (1).

(5) If a small and medium business start-up investment company or an executive member falls under any of the subparagraphs of paragraph (1) or (2) (excluding paragraphs (1) 1 and (2) 1), the Administrator of the Small and Medium Business Administration may take any of the following measures: *<Newly Inserted by Act No. 12009, Aug. 6, 2013>*

1. Suspension of business in whole or part for a period of up to six months;
2. Order to correct the violation;
3. Warning.

Article 44 (Hearings)

The Administrator of the Small and Medium Business Administration shall hold a hearing whenever he/she considers revoking the registration of a small and medium business start-up investment company, a small and medium business start-up investment cooperative, or a small and medium business consulting company or revoking the designation of the operator of a business incubator pursuant to Article 43.

Article 45 (Delegation and Entrustment of Authority)

(1) The authority given to the Administrator of the Small and Medium Business Administration pursuant to this Act may be partially delegated to the heads of its subordinate agencies or each Special Metropolitan City Mayor, Metropolitan City Mayor, Special Self-Governing City Mayor, Do Governor, or Special Self-Governing Province Governor, as prescribed by Presidential Decree. *<Amended by Act No. 12009, Aug. 6, 2013>*

(2) The Administrator of the Small and Medium Business Administration may entrust any part of his/her business affairs under this Act to the heads of other administrative agencies, the Small Business Corporation established pursuant to Article 68 of the Small and Medium Enterprises Promotion Act, small and medium business start-up investment companies, small and medium business consulting companies, or other institutions related to small or medium-sized business, as prescribed by Presidential Decree. *<Amended by Act No. 9685, May 21, 2009>*

Article 46 (Prohibition on Use of Similar Names)

Any person who is not a small and medium business start-up investment company or a small and medium business start-up investment cooperative shall not use the name 'small and medium business start-up investment company' or 'small and medium business start-up investment cooperative' or any other name similar thereto.

Article 47 (Public Notice of Work Standards)

The Administrator of the Small and Medium Business Administration may establish and issue a public notice of the standards for the provision of support for starting up a business so that small and medium business start-up investment companies, small and medium business start-up investment cooperatives, small and medium business consulting companies, or operators of business incubators can efficiently provide business starters with their services.

Article 47-2 (Special Cases concerning Public Equity Investment Cooperative of Business Start-ups)

(1) Articles 11 through 16, 22 through 27, 29 through 32, 34 through 43, 48, 50 through 53, 56, 58, 60 through 65, 80 through 83, subparagraphs 2, 3 and 6 through 8 of Article 85, Articles 86 through 95, 181 through 183, 184 (1), (2), (5) through (7), 185 through 187, 218 through 223, 229 through 253 and 415 through 425 of the Financial Investment Services and Capital Markets Act shall not apply to public equity investment cooperatives of business start-ups (referring to business start-ups investment cooperatives that do not fall under private equity collective investment organizations under Article 9 (19) of the Financial Investment Services and Capital Markets Act; hereinafter the same shall apply) and business start-up investment companies (excluding business start-up investment companies conducting their business after organizing only business start-up investment cooperatives that are not public equity investment cooperatives of business start-ups).

(2) Where the Administrator of the Small and Medium Business Administration registers public equity investment cooperatives of business start-ups or business start-up investment companies (excluding business start-up investment companies conducting their business after organizing only business start-up investment cooperatives which are not public equity investment cooperatives of business start-ups), he/she shall consult with the Financial Services Commission. *<Amended by Act No. 8852, Feb. 29, 2008>*

(3) If necessary for protection of public interests or benefits of members of public equity investment cooperative of business start-ups, the Financial Services Commission may order a public equity investment cooperative of business start-ups and business start-up investment company (excluding business start-up investment companies conducting their business after organizing only the business start-up investment cooperatives that are not public equity investment cooperatives of business start-ups) to submit data concerning their businesses or to make report thereof, or have the Governor of the Financial Supervisory Service inspect their business. *<Amended by Act No. 8852, Feb. 29, 2008>*

(4) Where public equity investment cooperatives of business start-ups and business start-up investment companies (excluding business start-up investment companies conducting their business after organizing business start-up investment cooperatives that is not public equity investment cooperatives of business start-ups) have violated this Act, an order or disposition under this Act, or have violated the Financial Investment Services and Capital Markets Act itself, or an order or disposition under the same Act, the Financial Services Commission may request the Administrator of the Small and Medium Business Administration to take measures falling under any of Articles 42 (1) and 43 (1), (2) and (5), and the Administrator shall comply with such request, except under extenuating circumstances. In such cases, the Administrator shall notify the Financial Services Commission of the details of measures taken. *<Amended by Act No. 8852, Feb. 29, 2008; Act No. 12009, Aug. 6, 2013>*

Article 48 (Penal Provisions)

(1) Any large stockholder shall be punished by imprisonment for not more than five years or by a fine not exceeding 50 million won if he/she commits any activity falling under any of the subparagraphs of Article 15-2 (1) for the purpose of pursuing his/her own profits in violation of Article 15-2 (1).

(2) Any person shall be punished by imprisonment for not more than one year or by a fine not exceeding ten million won if he/she fails to dispose of his/her stocks in violation of an order for disposal thereof under Article 10 (4).

Article 49 (Joint Penal Provisions)

If the representative of a corporation, or an agent, servant or other employee of a corporation or individual, commits an offense provided for in Article 48 in course of performing the duties of such corporation or individual, not only shall the offender be punished accordingly, but the corporation or individual shall be punished by a fine provided for in the said Article: Provided, That this shall not apply where the corporation or individual has not neglected to supervise those duties with due care to prevent such offense.

Article 50 (Fines for Negligence)

(1) Any of the following persons shall be punished by a fine for negligence not exceeding five million won:

1. He/she fails to register a change in accordance with the last sentence of Article 10 (1) or 20 (1) or falsely registers a change;
2. He/she fails to submit a report on business transfer, etc. in accordance with Article 11 (2) or falsely submits a report thereon;
3. He/she fails to make public disclosure of the small and medium business startup investment company in accordance with Article 14 or falsely makes a public disclosure thereof;
4. He/she fails to submit a report on the settlement of accounts in accordance with Article 19 or 23 or submits a false report thereon;
5. He/she fails to submit a report in accordance with Article 40 (1), or files a false report, or rejects, hinders, or evades an inspection provided for in the said paragraph;
6. Deleted; <by Act No. 9584, Apr. 1, 2009>
7. He/she that uses any similar name in violation of Article 46.

(2) The fine for negligence under paragraph (1) shall be imposed and collected by the Administrator of the Small and Medium Business Administration, as prescribed by Presidential Decree.

(3) through (5) Deleted. <By Act No. 9379, Jan. 30, 2009>

ADDENDA

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Article 9 (4) of Addenda shall enter into force on April 27, 2007, and the amended provisions of Article 35 (2) 2, 3, and 5 and Article 35 (3) 1 shall enter into force on September 28, 2007.

Article 2 (Transitional Measures concerning Enforcement Date)

Until the amended provisions of Article 35 (2) 2, 3, and 5 and Article 35 (3) 1 enter into force pursuant to the proviso to Article 1 of Addenda, the former corresponding provisions of Article 22 (2) 2, 3, and 5 and Article 22 (3) 1 shall remain in force.

Article 3 (Applicable Cases concerning Management and Operation of Assets of Small and Medium Business Start-Up Investment Cooperatives)

Article 22 (3), as amended, shall be applicable to all small and medium business start-up investment cooperatives organized on or after April 1, 2005.

Article 4 (Transitional Measures concerning Small and Medium Business Start-Up Investment Cooperatives, etc.)

(1) As to the small and medium business start-up investment cooperatives that completed the report on their organization before April 22, 2000, the former provisions in force before the amended Act of the Support for Small and Medium Enterprise Establishment Act (Act No. 6194) entered into force shall remain in force.

(2) As to the business plans approved or on which an application for approval was filed before April 22, 2000, the former provisions in force before the amended Act of the Support for Small and Medium Enterprise Establishment Act (Act No. 6194) entered into force shall remain in force.

Article 5 (Transitional Measures concerning Disqualifications for Officers of Small and Medium Business Start-up Investment Companies)

Where any incumbent officer of a small and medium business start-up investment company as of June 26, 2002 fell under any ground for disqualification under any provision of Article 10 (2) 2 (c) through (f) owing to any ground that had arisen before June 26, 2002, Article 10 (2) 2 (c) through (f) shall not become applicable to such officer until his/her term of office ends: Provided, that the former provisions of Article 7 (2) 2 in force before the amended Act of the Support for Small and Medium Enterprise Establishment Act (Act No. 6675) entered into force shall be applicable to the representative director, until his/her term of office ends.

Article 6 (Transitional Measures concerning Grace Period for Performing Obligations to Invest)

A small and medium business start-up investment company or a small and medium business start-up investment cooperative that is under the grace period granted by the Administrator of the Small and Medium Business Administration for performing its obligations to invest as of March 27, 2007, which corresponds to the enforcement date of the partially amended Act of the Support for Small and Medium Enterprise Establishment Act (Act No. 8086), shall be deemed to have been granted the grace period for performing its obligations to invest pursuant to the amended provisions of Articles 16 (2) and 21 (3).

Article 7 (General Transitional Measures concerning Dispositions, etc.)

The actions done by or against an administrative agency as of the date this Act entered into force pursuant to the provisions of the former Act shall be deemed as actions done by or against an administrative agency pursuant to the corresponding provisions of this Act.

Article 8 (Transitional Measure concerning Penal Provisions and Fine for Negligence)

Acts committed before this Act entered into force shall be governed by the former provisions in application of penal provisions and provisions relevant to the fine for negligence.

Article 9 Omitted.

Article 10 (Relations with Other Acts)

A citation of the former Support for Small and Medium Enterprise Establishment Act or any provision thereof by any other Acts in force at the time when this Act entered into force, if any, shall be deemed to be a citation of this Act or corresponding provisions hereof in lieu of the former provisions, if such corresponding provisions are contained herein.

ADDENDA <Act No. 8466, May 17, 2007>

Article 1 (Enforcement Date)

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

Articles 2 through 5 Omitted.

ADDENDA <Act No. 8606, Aug 3, 2007>

(1) (Enforcement Date) This Act shall enter into force on the date of its promulgation.

(2) (Effective Period) Article 39-2, as amended, shall be applicable only to the persons who start up a business within three years after this Act enters into force.

(3) (Transitional Measures concerning Water Quality and Ecosystem Conservation Act) The term "the Water Quality and Ecosystem Conservation Act" in Article 39-2, as amended, shall be construed as "the Water Quality Conservation Act" until November 17, 2007.

(4) (Transitional Measures concerning Article 22 of Statistics Act) The term "Article 22 (1) of the Statistics Act" in Article 39-2, as amended, shall be construed as "Article 17 (1) of the Statistics Act" until October 27, 2007.

ADDENDA <Act No. 8635, Aug. 3, 2007>

Article 1 (Enforcement Date)

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

Articles 2 through 44 Omitted.

ADDENDA <Act No. 8819, Dec. 27, 2007>

Article 1 (Enforcement Date)

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

Articles 2 through 9 Omitted.

ADDENDA <Act No. 8852, Feb. 29, 2008>

Article 1 (Enforcement Date)

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

Articles 2 through 7 Omitted.

ADDENDA <Act No. 8974, Mar. 21, 2008>

Article 1 (Enforcement Date)

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

Articles 2 through 14 Omitted.

ADDENDA <Act No. 8976, Mar. 21, 2008>

Article 1 (Enforcement Date)

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

Articles 2 through 10 Omitted.

ADDENDA <Act No. 9160, Dec. 19, 2008>

Article 1 (Enforcement Date)

This Act shall enter into force on January 1, 2009.

Articles 2 Omitted.

ADDENDUM <Act No. 9379, Jan. 30, 2009>

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

ADDENDA <Act No. 9401, Jan. 30, 2009>

Article 1 (Enforcement Date)

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

Articles 2 through 11 Omitted.

ADDENDA <Act No. 9584, Apr. 1, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force on May 8, 2009.

Articles 2 through 6 Omitted.

ADDENDA <Act No. 9685, May 21, 2009>

Article 1 (Enforcement Date)

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

Articles 2 through 8 Omitted.

ADDENDA <Act No. 9758, Jun. 9, 2009>

Article 1 (Enforcement Date)

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

Articles 2 through 23 Omitted.

ADDENDA <Act No. 9770, Jun. 9, 2009>

Article 1 (Enforcement Date)

This Act shall enter into force on July 1, 2010. (Proviso Omitted.)

Articles 2 through 7 Omitted.

ADDENDA <Act No. 9774, Jun. 9, 2009>

Article 1 (Enforcement Date)

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

Articles 2 through 19 Omitted.

ADDENDUM <Act No. 9889, Dec. 30, 2009>

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

ADDENDA <Act No. 10272, Apr. 15, 2010>

Article 1 (Enforcement Date)

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

Articles 2 through 14 Omitted.

ADDENDA <Act No. 10310, May 25, 2010>

Article 1 (Enforcement Date)

This Act shall enter into force six months after its promulgation. (Proviso Omitted)

Articles 2 through 14 Omitted.

ADDENDA <Act No. 10331, May 31, 2010>

Article 1 (Enforcement Date)

This Act shall enter into force six months after its promulgation. (Proviso Omitted)

Articles 2 through 13 Omitted.

ADDENDUM <Act No. 10354, Jun. 8, 2010>

This Act shall enter into force six months after its promulgation: Provided, That the amended provisions of Article 39-2 and the amended provisions of paragraph (2) of the Addenda to the Act No. 8606 for amendment of the Support for Small and Medium Enterprise Establishment Act shall enter into force on August 3, 2010.

ADDENDUM <Act No. 10533, Apr. 4, 2011>

This Act shall enter into force on the date of its promulgation: Provided, That the amended provision of Article 3 shall enter into force six months after the date of its promulgation.

ADDENDA <Act No. 10599, Apr. 14, 2011>

Article 1 (Enforcement Date)

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

Articles 2 through 9 Omitted.

ADDENDA <Act No. 10892, Jul. 21, 2011>

Article 1 (Enforcement Date)

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

Articles 2 through 10 Omitted.

ADDENDA <Act No. 11037, Aug. 4, 2011>

Article 1 (Enforcement Date)

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

Articles 2 through 6 Omitted.

ADDENDA <Act No. 11483, Aug. 13, 2012>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, That the amended provision of Article 43 (4) 3 shall enter into force six months after the date of its promulgation.

Article 2 (Applicable Cases of Exemption from Charges and Fees)

The amended provision of Article 2 of Addenda in the partially amended Act No. 8606 of Support for Small and Medium Enterprise Establishment Act shall also apply to a person who starts up a business before this Act enters into force after August 3, 2012.

ADDENDUM <Act No. 11655, Mar. 22, 2013>

This Act shall enter into force on the date of its promulgation.

ADDENDA <Act No. 11690, Mar. 23, 2013>

Article 1 (Enforcement Date)

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

(2) Omitted.

Articles 2 through 7 Omitted.

ADDENDA <Act No. 11845, May 28, 2013>

Article 1 (Enforcement Date)

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

Articles 2 through 17 Omitted.

ADDENDA <Act No. 12009, Aug. 6, 2013>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation: Provided, That the amended provisions of Articles 10, 14, 15-2, 16 (1) (limited to portions related to the amended provisions of Article 10 (1) 5), 21 (3) (limited to portions related to the amended provisions of Article 10 (1) 5), 42, 42-2, 43 (1) and (5), 47-2 (4), 48, and 49 shall enter into force six months after the date of its promulgation.

Article 2 (Term of Validity of Special Provisions for State-Owned Property)

The amended provisions of Article 6 (2) through (4) shall be valid until December 31, 2022.

Article 3 (Transitional Measures concerning Administrative Dispositions)

With respect to administrative dispositions against offenses committed before this Act enters into force, the previous provisions shall prevail.

ADDENDA <Act No. 12246, Jan. 14, 2014>

Article 1 (Enforcement Date)

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

Articles 2 through 5 Omitted.

ADDENDA <Act No. 12248, Jan. 14, 2014>

Article 1 (Enforcement Date)

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

Articles 2 through 25 Omitted.

ADDENDA <Act No. 12310, Jan. 21, 2014>

Article 1 (Enforcement Date)

This Act shall enter into force on the date of its promulgation.

Article 2 (Transitional Measures concerning Incompetent Persons, etc.)

A person under adult guardianship or a person under limited guardianship under the amended provisions of Articles 10 (2) 2 (a) and 31 (2) 2 (a) shall be deemed to include those who are already declared incompetent or quasi-incompetent and are still in the state of such incompetence or quasi-incompetence under Article 2 of the Addenda to the Civil Act, Act No. 10429.